**Regional ports:** Eastport, Saint John, Halifax up; Boston down.*

PW: Four steel facilities have changed hands.*

SLR/VRS: Dispatching changes. Box on RailTerm.

**NEW YORK**

NECR: AES Thames shuttered. Map

PW v HRRC: PW provides trackage rights text. No filing for adverse abandonment yet.*

**MAINE**

MC: Dragon Cement update.

MDOT/MMA: RFP process not restarted yet for Aroostook operator. *

MDOT/MMA: MDOT resumes the RFP process. Proposals due by 17 February.*

CN v MMA: Still no decision by Woodcock. Court stays all other proceedings pending his decision.*

Searsport: More details on the proposed propane terminal for DCP Midstream at Mack Point.*

**MASSACHUSETTS**

HRRC: Embargoes Coltville Industrial Track.*

Boston: See Regional for Massport statistics.

**NEW HAMPSHIRE**

CCRR: Rymes begins transloading propane in West Lebanon. Box on propane supply.*

CCRR: Update on salt moves, APU installation.*

MBRX: Granite State Concrete wishes for rail.*

MBRX: Date set to set date.

**VERMONT**

[No report—see Regional on steel facilities.]

**RHODE ISLAND**

[No report—see New Hampshire on propane.]

**MARITIMES/QUÉBEC**

MMA - correction on Saint-Hyacinthe.

WHRC: Operation suspended as gypsum stops.*

Saint John: See Regional for statistics.

Halifax: See Regional for statistics.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Not sanguine

AES, Fundy Gypsum, Dragon Cement all down.

Propane a positive story.

Significant decisions coming up.

-Chop Hardenbergh  Next formal issue: 22 Feb

PW: STEEL SHAKEUP*

PW serves several facilities handling steel. Some of these have changed hands recently.

**American Steel, Auburn MA now Nova Steel**
American was owned by Barzel Industries, the Norwood, Massachusetts-based metal manufacturer, which filed for bankruptcy in September 2009. Barzel owned 15 facilities, including five distribution facilities.

Barzel was formed in 2006 and purchased Novamerican Steel in 2007. As of the bankruptcy, Barzel owned, in the United States, American Steel and Aluminum, Nova Tube and Steel, and Novamerican Tube. {text of bankruptcy petition}

A company called Chriscott acquired all the Barzel assets, and reorganized them into Nova Steel. The Nova Steel website lists two locations in New England: Auburn, Massachusetts (served by PW) and Portland, Maine (not on rail).

**American Steel, Cumberland RI now Samuel**
In March 2009, Samuel, Son & Co., Limited of Mississauga, Ontario acquired two former Novamerican facilities located in Albany, New York, and Cumberland, Rhode Island. {Metal Center News}

Samuel has no direct rail link. In the late 1980s it did, via the Wrentham Branch, since out of service and owned by the town of Cumberland.

An official at Samuel said it receives by rail at the State Line facility in Attleboro, Massachusetts, at the rate of about 30 carloads a year. {ANR&P discussion 1.Feb.11}

**Primary Steel now Namasco**
In 2007, Namasco, the North American subsidiary of Klöckner & Co SE of Duisburg, Germany, bought Primary Steel, a distribution facility served by PW in Middletown.

In September 2010 Primary was legally merged into Namasco and assumed the name of its parent company. {Namasco press release 21.Sept.11}

**Denman & Davis now O’Neal Steel**
On 22 December 2010, O’Neal Steel, Inc of Birmingham, Alabama announced it had ‘acquired the assets of Denman & Davis, the largest independent full-line steel service center in the northeastern United States. Denman & Davis offers a complete selection of carbon, alloy, and stainless steel in plate, sheet, bars, structural, and tubing. The 121-year-old company, which began delivering steel by horse-drawn wagon through the streets of New York City in 1888, now has operations in Clifton, NJ, Albany, NY, and Slatersville, RI.’ {O’Neal press release}

O’Neal still uses PW to receive steel, on ‘the Slate’, the spur which runs to Slatersville. With O’Neal's acquisition of Denman and Davis rail volume has increased.

**Other steel facilities served by PW**
Nucor Connecticut in Wallingford has received steel billet via Gateway Terminals rail yard for many years.

Riverdale Mills in Northbridge, Massachusetts receives coiled wire via PW to manufacture wire mesh.

Dean Warehouse in Cumberland, Rhode Island, transloads wire rod for various receivers [including Stanley-Bostitch–see 10#02A]. {e-mail to ANR&P from PW Marketing Vice-President Frank Rogers 1.Feb.11}
REGIONAL PORTS: BETTER YEAR*

25 January. **HALIFAX, SAINT JOHN, AND EASTPORT REBOUNDED SIGNIFICANTLY IN 2010; BOSTON DIPPED,** according to year-end statistics released by the ports.

**Port of Halifax**

Containers rose 26.3% with total throughput of 435,461 TEUs versus 344,811 TEUs in 2009. Container cargo tonnage jumped 25.8% year over year from 2,776,846 to 3,493,392 tonnes. [The port’s containerized growth nearly doubled the global growth of just over 13%. *Freight Shipper Insight Report*, Drewry Shipping Consultants Limited, December, 2010]

The Port Authority’s Michele Peveril said the port had a very strong year greatly assisted by the growth in Asian cargo. “We have estimated over 40% growth in Southeast Asian cargo in 2010 vs 2009.” {Discussions with ANR&P’s Tom Peters 19.January. 2011}

Breakbulk increased 23.7% up from 118,120 tonnes in 2009 to 146,115 tonnes in 2010, primarily because of an increase in machinery and metals imports, and forest products exports.

Bulk cargo declined 14% from 6,523,019 tonnes in 2009 to 5,612,957 tonnes. The decrease is attributed to slow economic recovery in the U.S. which impacts bulk exports such as gypsum and oil.

Ro/ro cargo increased by 15.9% to 264,779 tonnes in 2010 from 228,428 tonnes in 2009.

Overall tonnage through the port slipped 1.3% in 2010 dropping from 9,646,413 tonnes in 2009 to 9,517,243 in 2010. The cruise season produced a record year for passengers, 261,216 passengers, up 14.7% over 2009. {HPA release 19.January.2011}

**Port of Saint John**

Saint John surpassed 30 million metric tonnes of cargo in a single year for the first time ever. The port recorded 30,418,000 tonnes in 2010 compared to 26,854,000 in 2009, a 13% increase. “Today we see positive gains in cargo recovery for 2010 and continuing growth in cruise, but we also see the port authority and its many partners strengthening working relationships to bring greater prosperity to the region via our shared asset of the Port of Saint John,” said Authority President and CEO Jim Quinn. {SJPA release 20.Jan.11}

Dry bulk lept 169% from 402,000 tonnes in 2009 to 1.1 million tonnes in 2010, mainly due to an increase of potash exports from PotashCorp in Sussex.

Liquid bulk increased 11% from 26 million tonnes to 28.9 million tonnes, up 11%. [This consists of crude oil and natural gas imports to the Irving refineries, and export of refined product. *Editor*]

Container traffic rose 5% to 46,300 TEUs from 44,382 TEUs in 2009.

Breakbulk declined 25% to 140,000 tonnes in 2010 from 187,000 tonnes in 2009 mainly due to forest products which dropped from 155,000 tonnes in 2009 to 81,700 tonnes in 2010. The port’s cruise business hit a record passenger count of nearly 205,900, a 10% increase over the 186,500 passengers in 2009. {SJPA release. 20.January.2011}

**Eastport**

Eastport Port Authority’s Natalie Brown said the port had a record year moving 451,512 tonnes of cargo, mostly wood pulp, an increase of approximately 57% over 2009 when 286,525 tonnes of pulp were handled. The port also moved 2,286 head of live cattle in 160 containers which were exported to Turkey. {Brown email to Tom Peters
“When the port was established, best estimates were that we would be lucky to do 50,000 tons a year,” said Chris Gardner, executive director, Eastport Port Authority. “This record-breaking year certainly speaks to the potential of this port.” {Sharon Kiley Mack in Bangor Daily News 27-Dec.10}

Boston
Containerized cargo declined 10.2% from 187,445 TEUs in 2009 to 168,285. Containerized tonnage dropped 11.6% to 1,357,694 tonnes from 1,535,275 tonnes in 2009. ‘Overall the declines were not unexpected because of the global recession,’ said Massport’s Lisa Langone. “A drop in container volume in the first half of the year was caused by the temporary withdrawal of vessel capacity on the U.S. East Coast/Far East trade lanes, as well as the elimination of the CMA CGM [Black Pearl] service. Volumes picked up in the second half of the year, but took a hit with the termination of the Columbia Coastal barge service [see 10#08B].}

General cargo, mainly cement, dropped 27.2% from 128,407 tonnes in 2009 to 93,544 tonnes. “Cement imports fell due [see Maine for Dragon shipments] to the effects of the recession on the construction industry, however, on a positive note, automobile imports and exports rose,” Langone said.

The port had a big increase in automobiles at 41,841 in 2010 from 23,453 in 2009, an increase of 78.4%. Cruise passengers increased 7.5% to 322,161. {email to ANR&P s Tom Peters}

SLR/VRS: NEW DISPATCHING
15 January, Rutland. RAILTERM HAS ASSUMED DISPATCHING OF SLR, AND STOPPED DISPATCHING OF VRS.

SLR SITUATION
The railroad formerly dispatched its trains from its office in Auburn, Maine. Now, Francois Prenovost, executive vice-president of RailTerm, explained that RailTerm’s office in Rutland, Vermont, will dispatch the SLR, and its office in Dorval, Quebec, will dispatch the SLQ.

Why the change? Prenovost noted that GWI uses RailTerm for many of its railroads [see box]: ‘[T]he man in charge already uses our services in Canada and is extremely pleased and believes this is the way to go!’

But a change away from RailTerm by GWI
In 2010, GWI decided to resume dispatching its own railroads in the New York Pennsylvania region, and did so in January 2011. This occurred following GWI’s 2008 acquisition of railroads in Ohio.¹ GWI merged ‘the dispatching activities we provided them with their Ohio dispatching office, as it made more sense economically. The concept of pooling became consistent for the Ohio office, whereas we were no longer providing a pooled service concept to them, we needed more than one desk [more in a future issue] to serve them.’

VRS REINSTATES VRS DISPATCHING OFFICE
‘On February 1, 2011, VRS ceased subcontracting dispatching services and commenced dispatching all VRS railroads [including New York & Ogdensburg]. VRS dispatching office is anchored by experienced railroad employees that know our railroad territories. VRS managers and dispatch staff worked with RailCom since late 2010 and developed our existing control system. The RailCom Control System and our dispatch staff exceeded expectations in the first week of operation. {e-mail from VRS General Manager Brent Brewer 7-Feb.11}

New offices
RailTerm started up its US dispatching services with VRS and GWI’s Buffalo & Pittsburgh, part of the New York

¹The Ohio Central System (OCR), with 170 employees and 445 miles of track. {GWI press release 1.Oct.08}
Pennsylvania group, in 2005 using an office in Rutland.

As a result of the VRS decision, RailTerm is moving its offices, formerly adjacent to the VRS office in Rutland, to an industrial park in Rutland.

Prenovost said the company will keep its US centre in Rutland. Though the area has a relatively small population from which to draw new workers, ‘the people we did recruit are outstanding (not to toot our own horn, they really are!).’ {ANR&P discussions and e-mails with Prenovost}

**CONNECTICUT**

**NECR: MONTVILLE EVENTS**

26 January, Uncasville. **MAJOR CUSTOMER AES THAMES SHUTTERED ITS PLANT** this day, and then filed for bankruptcy on 1 February.

**Lawsuit with Smurfit-Stone**

In explaining its descent into bankruptcy, AES Thames Brian Chatlosh cited the increased cost of energy production and an "uneconomic and onerous" contract with Smurfit-Stone’s predecessor Stone Container [see box]. According to documents filed in New London Superior Court by Smurfit-Stone, AES Thames notified Smurfit-Stone on 24 January of the impending closing because of "unexpected market conditions" and "regulatory uncertainties."

Smurfit-Stone sought a temporary restraining order and injunction, which were to be heard by the court on 2 February, but AES Thames filed for bankruptcy the day before.

Reached on 3 February, Smurfit-Stone acknowledged

**Montville-Gales Ferry.** NECR customers AES Thames and Stone; PW customer Dow.

{editor}
FACILITIES IN MONTVILLE

north to south

AES Thames
The Thames Cogeneration Facility of the Applied Energy Services Corporation was built in the late 1980s on a site owned by Stone Connecticut. {ANR&P discussion with Town of Montville Assessors Office 3.Feb.11}. Stone leased the land to AES for 50 years, and in return has a 25-year agreement to receive steam from the facility, rated at 100,000 pounds of steam per hour.

In addition, AES will supply electricity generated by the 180MW turbine to Northeast Utilities exclusively for 25 years. The site previously held a power plant, and has been used for industrial purposes since 1910.

AES planned to receive coal by barge, each holding 10,000 tons, one or two barges per week. The two fluidized bed boilers would produce 475 tons to 819 of fly ash per day, to be disposed of ‘out of state’. Some seven to twelve 100-ton cars per day would move the ash.

Limestone, sodium hypochlorite, and sodium sulfite would deal with stack and water contamination.


Stone Container
This recycled paperboard plant was originally constructed in 1910. It pulps recycled paper, mostly old corrugated containers, and then makes paperboard.

Stone uses the AES steam to power its own 2.2MW turbine, which can operate also with steam from its own boiler fired by No.6 oil. Stone also uses the steam in paper-making. In 1992, Stone was required to operate its backup steam boiler using only natural gas. {Connecticut Siting Council, staff report 1988, Petition #219; ConnDEP Title V revised operating permit issued 19.May.06}

Facilities. In the region, SSCC has plants in Springfield Massachusetts (CSXT, #371), Wakefield Massachusetts (was ST), and Uncasville (part of Montville), Connecticut (NECR, #696).

The succession of names. In 1998, Stone Container Corporation, founded in 1926 was merged with Jefferson Smurfit Corporation, founded in the 19th century; the Ireland-based Jefferson Smurfit Group owned 33% of the new company, Smurfit-Stone. In 2002, Jefferson Smurfit agreed to be taken over by Madison Dearborn Partners; the deal included the spinoff of the stake in Smurfit-Stone to Jefferson Smurfit shareholders. Smurfit-Stone is publicly owned and trades on the NYSE under the symbol SSCC. {various websites}

Bankruptcy and sale. In 2009, SSCC filed for bankruptcy reorganization, and then emerged. On 24 January 2011, the boards of RockTenn and SSCC approved a definitive agreement under which Smurfit-Stone will become a wholly owned subsidiary of RockTenn. RockTenn is itself publicly traded. {Lisa McTigue Pierce in Packaging Digest 24.Jan.11}

Montville Power
The Montville station, owned by Montville Power LLC [a subsidiary of NRG Energy, which bought the Connecticut facilities and the Mt.Tom power plant from Northeast Utilities—see 05#11A ], ‘consists of two steam electric generating boilers (Units 5 and 6) and two diesel generators (Units 9 and 10 at 2.5MW each) for the production of electricity. Additional emissions units at the station include two auxiliary boilers for steam, a diesel-fired fire pump, and a diesel-fired air compressor. The total electrical output from the station is 488 megawatts (MW). The original Title V permit was issued on September 28, 2000 and the complete renewal application was submitted on November 24, 2004.’

Unit 5 can burn No.6 oil, No.2 oil, and natural gas to generate 81MW. Unit 6 can burn No.6 oil and No.2 oil, to generate 402MW. {ConnDEP Title V revised operating permit issued 19.Oct.09}

Conversion of Unit 5. Montville Power has a permit, as of 2010, to convert Unit 5 to burn biomass, and to construct a wood holding facility near the plant [see map]. {Petition No. 907 – that no Certificate of Environmental Compatibility and Public Need is required for the retrofit and operation of a 40 MW Biomass-Fueled Generation Unit at the Montville Station. {Connecticut Siting Council 25.Feb.10}
its dispute but said it is working toward a resolution. "We are currently operating the [container board mill] on natural gas, which is a very costly alternative," said Lisa A. Esneault, director of communications and public affairs for Smurfit-Stone. "We are working to quickly resolve the situation as cost-effectively as possible and with the least impact on employees, customers and the community." {Patricia Daddona in New London Day 4.Feb.11}

**Rail**

NECR serves AES, lifting four to six cars of fly ash per day. The product belongs to customer Headwaters Resources and moves to a mine in Pennsylvania.

While the ash cars in the past few years were exchanged with CSXT in Palmer, on 30 January they reportedly moved via the Green Mountain Gateway to CP and then to the Reading, Blue Mountain, and Northern to a mine in Pennsylvania. One source connected to the move said AES moves the product via various routes to several destinations. She added that she understood that NECR continues to serve Smurfit-Stone where needs for rail vary depending on changing mill service territory ("footprints") of the various mills in the SSCC network. {e-mail to ANR&P 6.Feb.11}

**Why the fly ash moves back to a mine**

Headwaters 'sought out, and found, an anthracite coal mine in Pennsylvania faced with contour restoration while mitigating acidic mine drainage. The acidic, low pH groundwater is continuously generated by the geology of the region. Pyrites present in the surrounding earth become concentrated in the mining spoils (material that is left over in the mine after coal has been extracted) and react with rainwater to lower the pH of the water as it flows through the spoils. Headwaters teamed with the mine owner to supply, blend and place the alkaline, high pH Thames fluidized bed material with the mine spoils to act as a buffer. This is an established permitted activity with a good history with the Pennsylvania Department of Environmental Protection.

‘Furthermore, the Headwaters engineering division met the challenge of conditioning high calcium fluidized bed combustion products. Normally, high calcium combustion products can react with the water in the conditioning process, stiffening and clogging conventional machinery, rendering it useless. Headwaters designed and manufactured a one-of-a-kind pug mill to condition, on site, the fluidized bed combustion products from the Thames Cogeneration facility, for use at the Pennsylvania mining operation.’ {Headwaters Case Study #4, from company website}

**PW v HRRC: ADVERSE ABANDON**

27 January, DC. **PW PROVIDED THE TRACKAGE RIGHTS AGREEMENT UNDER WHICH IT OPERATES TO DANBURY.** In a cover letter to the STB, PW counsel David Monroe of the DC firm GKG Law noted that STB staff had requested the text, and asked that it be accepted as a supplement to the record.

[PW has not yet filed for adverse discontinuance of some of HRRC’s Maybrook line, which it uses (when in good repair) to move product to Tilcon’s facility in Danbury [see 10#09B]. Instead, it has sought waiver of some of the filing requirements.]

**SOME POINTS OF TRACKAGE RIGHTS AGREEMENT**

**Trackage fees**

‘For the privilege of operating on Owner's railroad, User {PW} will pay to Owner [HRRC] a fee based upon a charge of $0.292 per car mile...’ loaded or empty. ‘Car’ includes locomotive and caboose. The fee is revised each year based on the change in 'the "Material prices, wage rates and supplements combined (excl. fuel)" index as contained in Table A, Annual Indexes of Chargeout Prices and Wage Rates (1977=100) - East, Series RCR included in "AAR Railroad Cost Indexes", published by the Association of American Railroads.’ {section 8}

**Maintenance**

Owner will maintain the track to FRA class 1 standard and to 263,000-pound capability. {section 11} ‘If Owner fails to do so, User may then give Owner written notice of User's intention to effect such maintenance or repair at Owner's
expense.’ User may deduct the cost of expenses from the trackage fees, but only up to 75% of the fee. {section 10} [HRRC noted in its September 2010 response that PW had not chosen to exercise this contractual option. See 10#09B.]

**Authority to ban operators**

‘(d) Owner may refuse to qualify or exclude from its property any employee of User if Owner determines after a good faith review that the employee is unqualified to operate on the Subject Trackage.’ {section 12(d)}

‘(e) Owner may, without a hearing or Investigation, exclude from the Subject Trackage any employee of User determined by Owner to be in violation of Owner's rules, regulations, orders, practices or instructions. {section 12(e)}

**Abandonment**

‘Owner may abandon the Subject Trackage during the term of this Agreement... In the event of any such abandonment or discontinuance, User shall be provided the opportunity to acquire the portion abandoned or on which rail service is discontinued, or any portion thereof, for the net liquidation value or such other amount as User and owner may agree.’ {section 21 (a)} {text from STB website, filings page, case AB 254 (Sub.No.10)}

**CONNECTICUT PORTS***

1 February. **WHAT ATTITUDE DOES THE STATE HAVE TOWARD ITS PORTS?** Captain Chuck Beck, secretary for the Connecticut Maritime Commission, noted: ‘There are but a few and then only minor references to maritime issues in the strategic needs statement document “Strategic Framework for Investing in Connecticut’s Transportation Infrastructure” [drafted for the Connecticut Regional Institute in December and available on the web]. There is no mention of M-95 (the Marine Highway Corridor) in the description of Corridors that connect Connecticut to its neighboring states or to the metro areas of NYC and Boston. Similarly, there is no mention of using M-95 as a potential reliever to highway congestion along the I-95 corridor. There is no mention of the dredging needs in the state's ports under the "fix it first" policy. There is a reference to strategic investment in the state's ports within Section III ‘The Way Forward’ paragraph 4 ‘Develop Freight Capacity in Connecticut & in Northeastern U.S.’ {2010-12-22 – for review}

On the other hand

Beck reported that ‘There is an extensive Maritime Section in the ‘Map to a Vibrant Economy’ document [Report and Recommendations of the Transportation Strategy Board January 2011] that starts on page 111. The Section has a good description of the ports and the port-related issues like dredging needs.’ {e-mail to ANR&P and others}

---

**MAINE**

**MC: MAIN CUSTOMER SLOW**

31 January, Rockland. **DRAGON CEMENT IS NOT PRODUCING AT THIS TIME**, said plant manager Ray Degrass. “The plant is down for maintenance,” though Dragon is supplying what little cement is needed during the winter months in New England and Quebec from current inventory of 25,000 to 30,000 tons at four sites: its barge-served terminals in Newington and Boston, its rail-served terminal in Windsor, Quebec, and its plant in Rockland.

The barge is “sitting here” in Rockland harbor; it made its last trip at the end of December; Degrass anticipates it will again move product in late February.

**Rail traffic**

Snow piles on the tracks in Bath show that Maine Coast has not operated for a few days. Degrass said a small amount of cement does move by rail via the SLR to Windsor. “We looked at railing raw materials from Searsport,
which receives them by barge, to Rockland,” but the economics and logistics did not work out. \textit{ANR&P discussion}

In 1999, Dragon was moving petcoke from Searsport by truck for its heating fuel. \textit{[See 99#09.]}  

**2010 traffic; fines**

Earlier, DeGrass said that “2010 was worse than 2009 — our shipments were behind 2009.” In January, the U.S. Department of Labor’s Mine Safety and Health Administration cited Dragon for 63 violations, after late November and early December inspections for safety hazards. Degras said in late January that all but one violation was already remedied. \textit{[Heather Steeves in Bangor Daily News 28.Jan.11]}  

\textbf{MDOT/MMA: NO RFP*}

27 January, Augusta. \textit{‘THERE IS SOME INTERNAL COORDINATION HERE AT MAINE DOT AS WE TRANSITION TO A NEW COMMISSIONER,’} wrote Nate Moulton, director of MDOT’s rail program, in explaining why the RFP process did not immediately resume after the closing \textit{[see 11#01A.]} ‘Also as you will see there is a lot of data and information to be provided to prospective operators that is needed for a fair and open process to move forward properly for all interested parties. The priority here is getting this right, not how quickly we do it.’ \textit{[e-mail to ANR&P]}

MMA has agreed to operate the track until 15 June.

\textbf{MDOT/MMA: NEW OPERATOR*}

3 February, Augusta. \textit{‘WE ARE NOW READY TO RESUME THE RFP PROCESS FOR THE OPERATION AND MAINTENANCE OF THE AROOSTOOK LINES. Questions received with answers are posted as of today, with that in mind the new Due Date for Proposals is February 17, 2011 at 2:00PM at the MaineDOT offices in Augusta, Maine. ‘A small number of respondents that submit proposals will be selected to compete in a second round of final proposals/presentations and interviews. Our goal will be to make a final selection of an operator for the Aroostook Lines by the end of March.’} \textit{[note from Nate Moulton, MDOT rail manager, posted on MDOT website]}

\textit{[See 11#01A.]}  

\textbf{Questions}

MDOT received 137 questions and answered all of them. Some key points:

- The text of the haulage agreement and trackage rights agreement between MMA and the operator is provided, but the operator must negotiate any interchange agreement between it and CN or NBSR,

- Under the trackage rights agreement, the operator may not permit a third party to use its trackage rights.

- Any payments to the state for the use of the property will be negotiated in the second round.

- Potential operators admitted to the second round will receive information enabling them to talk to the shippers. Neither the state nor the shippers at this time has assured the future operator of any traffic levels.

- The operator will have access to a maintenance facility in Houlton. \textit{[More in a future issue.]}  

\textit{[text of answers at MDOT website]}  

\textbf{CN v MMA: STILL WAITING*}

31 January, Bangor. \textit{MAGISTRATE MARGARET KRAVCHUK POSTPONED FURTHER ACTION UNTIL THE JUDGE RULED on the outstanding decisions on whether CN may directly access the Twin Rivers paper mill in Madawaska \textit{[see 11#01A].}} The three parties, all with attorneys in Portland, jointly filed a motion to do so, noting:
‘The Court held a 3-day hearing on the Motion for PI [preliminary injunction] on Dec. 20-22, 2010, and indicated that a decision on that motion, as well as [MMA’s Motion to Dismiss or Stay Litigation and Compel Arbitration (“Motion to Compel”) would be forthcoming [emphasis added by editor]. Those decisions will substantially alter the timing and sequence of pre-trial activities. By way of example, the Motion to Compel, if granted, will dismiss or stay the litigation. The Motion for PI, depending on the legal and factual findings contained therein, will likely alter the timing and subjects of discovery. The Court’s decision may also trigger an appeal to the First Circuit. The parties wish to avoid the burden and expense of undertaking discovery that may, depending on the outcome of the decisions, be premature or superfluous.’

Kravchuk wrote: ‘[A]ll current scheduling order deadlines are stayed; following resolution of the motion to compel and the motion for preliminary injunction, the parties will have seven days to confer and then counsel for MM&A shall contact my chambers to arrange for a scheduling conference in order to discuss the status of this matter(regardless of any Notice of Appeal filed or anticipated). {court website, case 1:10-cv-00452}

SEARSPORT: PROPANE?*

20 January. DENVER-BASED DCP MIDSTREAM WANTS TO BUILD A MARINE PROPANE TERMINAL AT MACK POINT in part as a hedge against the interruption of propane shipments from Canada.

‘Supply arrives in Maine through a variety of ways including domestically and abroad, and from western Canada, from the Canadian National Railway’ explained DCP Midstream Director of Public Affairs Rosslyn L. Elliott. ‘Current propane storage inventories have declined rapidly to a five-year seasonal low and it is expected that Canadian propane exports will decline further due to lower production. Supply is also challenged by rail service constrictions that reduce supply availability and efficiency in shipping propane. These all contribute to the challenge of bringing dependable supply into Maine.’

DCP Midstream operates propane wholesale terminals in Bangor and Auburn [served by SLR] and has a marine propane terminal in Providence. ‘Our goal is to ensure additional flexibility and capacity to serve the Northeast propane market by relying on alternative propane supply from abroad to increase dependent supply,’ she wrote.

Appeal of Searsport

The site DCP Midstream has in mind for its propane terminal is an undeveloped 40-acre parcel just north of and across Station Avenue from the Irving Oil storage tanks. The fact that Mack Point already has fuel-handling facilities makes it attractive.

‘Searsport offers several unique attributes which support the development of a propane import terminal, which will benefit both Maine and the Northeast in assuring adequate access for propane supplies,” wrote Elliott. ‘Searsport has a well-established port with easy access to other parts of Maine and the Northeast with access to rail. The current industrial area includes a new pier with recent code improvements and the water draft allows for no need for additional dredging.’ {e-mail to ANR&P’s Ed Beem 20 Jan. 11}

Five to six ships a year

At a 14 December 2010 public information meeting at Union Hall in Searsport, DCP Midstream officials explained that the company anticipated receiving overseas propane delivery from five to six ship calls a year. Propane would then move from Mack Point via rail to DCP Midstream facilities in Bangor and Auburn or via as many as 50 truckloads a day.

DCP proposes a 137-foot high storage tank, 202 feet in diameter. And therein lies a problem. {Tanya Mitchell

---

*The ‘Bangor Propane Terminal, a joint venture between RH Foster and DCP Midstream, is located next to MMA headquarters in Hermon, and is served by MMA. {editor}
and Steve Fuller, Republican Journal, 15 Dec. 10}

**Tank too tall**

“We have identified a problem with our comprehensive plan,” explained Searsport Town Manager James Gillway, “but we are going to deal with it in March at the town meeting. In the industrial district we have imposed a 60-foot height restriction for principal structures and a 125-foot limit for accessory structures. We already have a harbor crane we purchased with a TIGER grant that would be in excess of the maximum height requirement.”

Gillway said the definition of a “structure” and the height limitations would be addressed at Searsport’s March 5 town meeting.

**Other uses defeated**

In the past, Mack Point and nearby Sears Island have been proposed as the sites for an oil refinery, a nuclear power plant, an aluminum smelter, a container terminal, and most recently, a liquefied natural gas (LNG) terminal. All these proposals ran into heavy opposition and were defeated, except the container terminal, where no interest has developed [see 10#09B].

Gillway said he has no idea whether a propane terminal will run into the same opposition as the LNG terminal proposal. “I’ve learned not to have any expectations for or against a project,” he said. “I’m usually wrong.” {ANR&P discussion 20 Jan. 11}

**Bayonne on Penobscot Bay?**

At a 24 January public hearing, the Searsport Planning Board recommended sending a measure to the 5 March town meeting that would maintain the 60-foot height limit for buildings, raise the height limit to 150 feet for principal structures such as tanks at terminals, and allow cranes and towers up to 175 feet in the Mack Point industrial zone.

“This is not for DCP,” said Bruce Probert, chair of the Board. “They have no proposal, no application before us. But this is one big hurdle in front of them. Without this change from 60 feet, they’re gone.” {ANR&P discussion 27 Jan. 11}

Several residents expressed concerns about the proposed changes. “I’m not against the height changes,” said Mack Point neighbor Tom Gocze, “but this tank is fairly close to Route One and it’s going to dwarf everything around. It’s going to give the feel of Bayonne, New Jersey to Searsport, Maine.” {ANR&P discussion 27 Jan. 11}

{Unless the Town Meeting--a straight vote by the citizens of Searsport who attend--approves the zoning change, DCP will not be able to built the tank. Editor]
MASSACHUSETTS

HRRC: EMBARGO*
26 January, Pittsfield. THE RAILROAD EMBARGOED THE COLTSVILLE INDUSTRIAL TRACK, on account of ‘track conditions’, this day at the request of Ed Rodriguez, vice-president. Its only customer on the line, Filkins Storage, has no current rail traffic [see 11#01A]. Participating roads were CSXT and UP. {AAR embargo page, HRRC000111, expiration 26 January 2012}

NEW HAMPSHIRE

CCRR: NEW CUSTOMER
1 February, West Lebanon. RYMES IS NOW RECEIVING PROPANE HERE said John Rymes, principal of Rymes Propane and Oil, using a mobile transload unit. “We’ve thought about for a number of years. I designed it, and we built it in house.” He got the idea from its usage in the South, where mobile transloaders are common. “It’s on trailer; we can pull it up to any rail yard.”

Within the next year or so, he would like to build a permanent facility in West Lebanon. “We get additional sourcing this way, right into the breadbasket” of his market.

The mobile transloader is available to pump out tanker trucks which get into a wreck, or tank cars which derail.

Assistance
Rymes said CCRR and NHDOT’s Bureau of Rail and Transit provided significant support. The DOT owns the rail line and yard in West Lebanon. “They’ve been open to welcoming any rail business.”

Why this year?
Rymes said that this heating season, obtaining propane looked particular difficult. One of his terminals, Sea-3 in Newington, was “unclear on its ability to source propane” by sea, and “it is served by ST.” The New York outage and other issues arose [see box].

Why doesn’t he use the DCP Midstream facility in Montpelier? “We already have the knowledge of unloading.”

SUPPLY COMPLICATIONS PLAGUE NORTHEAST WINTER SCENARIO
While consumers across the nation are experiencing higher petroleum product prices due, in part, to rising crude oil prices, propane consumers in the Northeast have seen regional supply issues add to overall price pressures, notes the Energy Information Administration (EIA) in its Jan. 5 “This Week in Petroleum” report.

Residential propane in New England has risen to $3.28/gal., while Central Atlantic prices, at $3.37/gal., are the highest in the Northeast. Prices in the region have risen more than 45 cents/gal. since the start of this heating season, compared with a 29-cent increase in Midwest prices where the residential propane heating market is much larger, according to EIA. Prices in New York State, where the supply disruption is centered, have increased 56 cents over the heating season.

As previously reported, propane supply into New York State and the Central Atlantic and New England regions was disrupted due to an outage on the Enterprise TE Products Pipeline (TEPPCO) that brings propane into the Northeast through New York State. The pipeline failure occurred downstream of the Watkins Glen, N.Y. terminal, which was able to remain operational, but pipeline flows to the Harford Mills, Oneonta, and Selkirk, N.Y. terminals were curtailed.

Rail and truck shipments from outside the region, as well as waterborne imports into Providence, R.I. and Newington, N.H., have sustained propane stocks in the Northeast. In fact, propane stocks in New England fell to just 39,000 bbl in mid-October, prompting companies to use truck and rail shipments from outside the region much earlier than typical to rebuild supply. The ongoing supply chain issues warrant monitoring, as there is potential for supply difficulties as the nation moves deeper into winter, cautions EIA.

Cold weather in the Northeast during December resulted in five consecutive stock draws in the Central Atlantic, while New England stocks fluctuated during the month. New England propane inventories were at 0.7 MMbbl on Dec. 31,
Other propane, oil

He is still receiving both propane and oil by rail in North Stratford on NHN via SLR, Rymes reported. He does about 200 cars there, and anticipates about 100 in West Lebanon.

He has stopped moving biodiesel by rail. [He formerly brought it into both West Lebanon and North Stratford–see 07#10B and 04#04A.] “The biodiesel market changed drastically with the loss of the blending credit.” {ANR&P discussion}

CCRR: OTHER UPDATES
1 February, Claremont. **THE RAILROAD HAS RESUMED UNLOADING SALT IN WEST LEBANON**, said Chris Freed, principal, for American Rock Salt. In at least 2004 and 2005, American used both the Claremont facility and an unloader at Twin State Sand and Gravel in West Lebanon [see 05#12A], but stopped using Twin State later [see 08#02A].

APU installation
NESCAUM, the Northeast States for Coordinated Air Use Management, has received another EPA grant for installation of auxiliary power units (APUs). Freed’s Rail Mechanical Services has done installation of both Ecotrans and Hotstart units in Claremont [see 08#11B], and he anticipated doing that both for CCRR locomotives, and for others.

Freed said that consultant MJ Bradley and Associates of Manchester, New Hampshire was handling the acquisition of the units using the grant money. He expected that Bradley would “let the railroad pick” which units
it wanted. \{ANR&P discussion\}

**MBRX: CUSTOMER SPEAKS**

January, Wilton. “**WE’RE VERY DISAPPOINTED THAT WE DON’T HAVE ANY RAIL SERVICE....** It affects our operations in a negative fashion,” said John MacLellan, president of Granite State Concrete. He declined to discuss details, however, saying he didn’t want to get involved in a clash between the two railroads.

**The precipitating incident**

The dispute between Pan Am and Leishman ostensibly stems from a collision between one of Leishman’s trains and a flatbed tractor-trailer truck, where the tracks cross Route 101A in Milford, near the junction of Route 101, on 22 October 2009. No one was hurt in the crash, and the truck driver, Eric Macias of Milford, was later summoned for failing to stop at a railroad crossing. The train had activated the signal lights at the crossing (which also turns all traffic lights red), and sounded its air horn as it approached, witnesses told police. Leishman and his engineer, David Raymond, saw that the truck wasn’t stopping and hit the emergency brakes, but they were unable to stop the train in time to avoid a collision, Leishman told police. The crash damaged the caboose and at least one hopper car and tied up traffic for hours, police said.

Pan Am Railways police also concluded the crash was the truck driver’s fault, according to Leishman’s suit filed in 2010, but Pan Am Railways decided to conduct a hearing on the incident on 10 November 2009. Leishman didn’t attend the hearing, as he wasn’t notified in time, his suit states.

Leishman learned only on 9 April 2010 that Pan Am Railways had permanently banned him from operating trains on its tracks, and he persuaded Pan Am to reopen the hearing, arguing that the decision was ‘entirely inconsistent with the evidence offered during the initial hearing,’ his suit states. [The trackage rights agreement between Pan Am and MBRX permits Pan Am to ban an operator. This is standard language, apparently. See the PW-HRRC agreement in *Connecticut. Editor*]

Pan Am conducted further hearings but didn’t change its decision. Pan Am alleges that Leishman violated a Northeast Operating Rules Advisory Committee (NORAC) rule requiring train operators to stop and send out a flagger into intersections to warn traffic. Leishman argues that both NORAC and the Federal Railroad Administration agreed the Elm Street crossing doesn’t require flaggers, but he said he has offered to use them anyway, if Pan Am insists. The process makes crossings much longer, causing a longer traffic backup. \{Andrew Wolfe in Nashua Telegraph 24.Jan.11\}
MBRX: PROCEDURAL UPDATE

February, Concord. **THE PARTIES HAVE AGREED ON A DATE TO SET A DATE** for the trial: they will meet with the federal magistrate to come to agreement on the schedule for a trial. According to the court website:

‘Pretrial Conference set for 3/1/2011 10:30 AM before Magistrate Judge Landya B. McCafferty. Please note pursuant to Title 28 USC 636© and Local Rule 73.1, the parties may consent to have the case reassigned to the Magistrate Judge, but are free to withhold consent without adverse consequences.(kad) (Entered: 02/03/2011)’

**MBRX also amended its complaint**

It now reflects events which occurred after the original complaint was filed in July 2010 [see 10#06B]. The railroad continues to seek a ‘temporary restraining order, preliminary injunction and permanent restraining order to enjoin Pan Am from barring Peter Leishman from operating on the Pan Am trackage for all issues, claims or matters arising from the October 22, 2009 accident.’

The railroad also seeks damages accruing from Pan Am barring it from operating. {text from website}

**Settlement possible?**

On February, Leishman wrote that ‘we are still optimistic that we can reach an agreement that will benefit both carriers before spring’ along the lines of what he discussed with Pan Am at their settlement meeting in January [see 11#01A], but he has had no response to his offers. {e-mail to ANR&P}

---

**QUEBEC/MARITIMES**

**MMA: CORRECTION**

The railway does not serve an Agro Centre facility in Saint-Hyacinthe [see 11#01A]. {e-mail from Christophe Journet of MMA 24.Jan.11}

**WHRC: SUSPENDED***

24 January, Hantsport. **FUNDY GYPSUM HAS COMPLETELY CURTAILED OPERATING,** and the railroad will too. Fundy’s parent company Canadian Gypsum has idled mining operations indefinitely until U.S. construction markets improve. “We remain optimistic that there will be a recovery in the North American construction market and we will be able to participate in that,” said plant manager Mike Bishop. “We’re not abandoning the property; we’re leaving the assets in place. There will be a small crew left behind for security and minor maintenance.” About 45 employees will be laid off. {Ashley Thompson in Hants Journal 24.Jan.11}

**Other curtailments**

Bob Schmidt, president and CEO, Iron Road Railways, owner of WHRC, said the action is “not much worse than it has been in the past. They pretty much made a similar announcement about a year or so ago [see 09#06A] with respect to Miller’s Creek [quarry], the mine that moves the larger quantities of the dark rock which is predominately the wallboard rock.”

This move idles the Wentworth quarry and other plant operations and the Hantsport port facility “so basically the whole mine will be idled indefinitely and their comments were it was temporary but no one knows really how long it will be,” Schmidt said. “As far as active train operations go, we will take steps in a similar reaction to that and we will not be doing any rail operation until the need for it is there,” Schmidt said.
The WHRC last moved gypsum for Fundy in late November or early December. “We have some folks laid off and will have future discussions with Fundy about what we need to do to keep the railway operable. They are working on some other moves and other destinations for their rock and if any of those come to fruition we will be ready to haul it for them,” Schmidt said. {Discussion with ANR&P’s Tom Peters 25.Jan.11}

WHRC lost its only other customers in 2010 [see 10#10B].