**REGIONAL ISSUES**

PW: Marketing award for Rawson move.*

**NEW YORK**

FGLK: Marketing award for rebar to Ontario.

[No report.]

**MAINE**

MMA/MDOT: NBSR chosen Aroostook operator.

CN v MMA: Judge denies CN’s and Twin Rivers’ motion for injunction, and MMA’s for arbitration.*

MMA: Formal filing to move Van Buren transload.*

SLR-ST: Double-tracking of Portland-Bethel for Montreal passenger service?*

Searsport: DCP propane plans for the region.*

**MASSACHUSETTS**

CSXT: Partial Worcester intermodal closing.*

MC: No rail to remove Aerovox debris.*

Pan Am: General Electric considering a locomotive construction facility in Lynn.*

PAS: Expanding San Vel auto facility.

PW: National Grid asks STB to halt case.

Massport: New weekly service by CYKH Alliance.*

**NEW HAMPSHIRE**

MBRX v ST: ST moves to dismiss.*

MBRX v ST: Hearing on injunction 29 April.*

**RHODE ISLAND**

PW: Arnold Lumber update.*

PW: Bill to limit Pond View failing.**

Provport: New cranes could add 500 jobs.*

Provport: Crane funds safe from clawback.*

[No report.]

**MARITIMES/QUÉBEC**

NBSR: No liability for flood in St.Stephen.*

Belledune: Government-funded steel fabrication facility looks for Arctic modules to build.*

Saint John: New scrap metal shredder for ferrous metal export.**

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Motte, McCall, Patterson, Schulz, Dubreil

**EDITORIAL**

Why not use CSXT’s auto terminal in Ayer?

**FROM THE PUBLISHER**

Out of the country

I’m taking a test run to Europe 7-19 April, still on e-mail. Question: can I publish the newsletter when I am not at my Yarmouth desk? You’ll find out.

**NEARS**

20-21 April I’ll attend the North East Association of...
Rail Shippers in Cromwell, Connecticut. This event is extremely worthwhile. I’ll see you there.

ERRORS
Number of issue
I failed to correct the number of the 21 March issue for most of you. Please note that as issue 11#03A.

Identity of train
The Amtrak train which might take a different route to Vermont is the Ethan Allen. Please correct that in the Vermont section of the table of contents in issue 11#03A.

Apologies.

- Chop Hardenbergh Next formal issue 26 April.

REGIONAL ISSUES

PW: MARKETING AWARD
22 March, DC. ASLRRA ANNOUNCED THAT PW HAD WON A 2011 MARKETING AWARD. PW representatives will accept the award during the American Short Line and Regional Railroad Association meeting in San Antonio Texas on 3 May. {ASLRRA Weekly Bulletin 22.Mar.11}

The Rawson aggregate move
To the judges for the marketing award, PW submitted its growing aggregate move from Plainfield, Connecticut to Queens, New York [described in 10#08B New York and other issues]. PW in the submission described a typical move:

Train NR-2 pulls the loads from Rawson early AM, 30-50 loads being typical. Loads are advanced 28 miles south on PW’s lines to Groton, CT where NR-2 gets on the Amtrak Northeast Corridor (NEC) for its 50-mile move to New Haven. On this section of the NEC, which PW operates in daylight, there are over 60 passenger trains per day, including the high speed ACELA.

Concurrent with NR-2’s operation, train CT-1 lifts loads from Tilcon-Connecticut’s quarry, in Wallingford, CT, on the Middletown Secondary. This includes traffic for NY as well as asphalt/concrete plants local to PW’s System.

The Rawson and Tilcon, NY traffic, is combined into train CHFP (Cedar Hill –Fresh Pond) for an evening advancement to interchange with the NYA in Queens. Typical train length is 60-70 cars, operating three times per week. This section of the NEC between New Haven and New Rochelle, NY hosts well over 300 intercity and commuter trains per 24 hr period, as well as CSXT and PW local freights. At New Rochelle, CHFP moves via the Amtrak Metropolitan Division, thru CSXT’s Oak Point Yard, over Hell Gate Bridge and on to interchange with the NYA in Fresh Pond (Queens).

Upon arrival, the NYA drills the train with a 30 car block being advanced immediately to the distribution facility in Queens. These cars are unloaded and returned to Fresh Pond, while PW’s crew is on rest.

It is this coordination between the Shippers/Receivers, PW and NYA that has afforded as many as two turns on railcars, per week, on a 360 mile round trip. The balance of the train is broken up into 10-15 car blocks for several other receivers on Long Island. NYA combines the empties from the smaller receivers with the 30 cars unloaded at night to make up PW’s return train FPCH. This train departs late morning, between the commuter rushes and runs to Revelstoke, British Columbia. And railroads in New England complain about the snow! Mid-March in the Canadian Rockies. {Courtesy unknown via Roy Blanchard}
New Haven, thence back to the quarries via NR-2 and CT-1 for reloading.

‘During the 2010 construction season, the PW advanced over 5,000 carloads to the New York and Long Island Markets. It is our intent to increase this significantly this season and in the years ahead. To that end, we are working with our producers on additional points of supply, securing additional equipment, increasing train size thru higher adhesion locomotives and additional train starts. Rawson has invested significantly in infrastructure at the loading end and continues to enhance their operation. We are also working with the NYA and other carriers on accessing additional market areas.’ {text of submission from PW’s Frank Rogers}

NEW YORK

FGLK: ASLRRRA AWARD

22 March, DC. FINGER LAKES RAILWAY CREATED A DOOR-TO-DOOR INDUSTRIAL REBAR SERVICE FOR NUCOR in Auburn, NY, which won one of three ASLRRRA marketing awards. FGLK representatives will accept during the American Short Line and Regional Railroad Association meeting in San Antonio on 3 May.

Nucor and its integrated Canadian subsidiaries Nucor Trading and Harris Rebar [see 11#03A about Harris in Massachusetts] worked with its railroad, FGLK, and Class Is NS and CP. The three railroads ‘used an untapped fixed division agreement to penetrate the NAFTA Toronto marketplace and defeat truck competition,’ according to the ASLRRRA. The service generates annual volume of 270 carloads, and 2010 volume grew 50.8% compared with 2009. {ASLRRRA newsletter 22.Mar.11}

The door to door service

Mike Smith, Finger Lakes president, said that Jan McNeal, vice-president marketing and sales, had worked with Nucor to create the move, and more important the door-to-door monitoring. “We watch every day” not by GPS, but by old-fashioned contact with the originator and the end receiver.

The move begins when the Nucor rebar facility in Auburn, New York does a ‘metric run’, making rebar in metric dimensions. FGLK reviews the cars moving out, comparing them to the orders for the rebar in the Toronto-Hamilton region. The railway holds the cars in its Geneva yard, and meters them out to the interchange with NS in Geneva. The NS takes the cars south to Corning, then west to the Niagara area, interchanging them with CP in Buffalo. CP then delivers them to its SteelCare Center in Hamilton, Ontario.

At the Center, the steel is not grounded; it is soon offloaded directly from the car into a truck which moves it to the end user.

On-time delivery and oversight

“We coordinate all these functions,” said Smith. Joanna Armstrong-Bruch heads the customer service center where Tammy Spina tracks the product day to day. This includes talking to the many end users who lack a rail siding in the Toronto-Hamilton region, ensuring that they are ready to receive a truck, and coordinating with the truckers who will pick up the load at the Center.

Metering out the cars from Geneva, and good service from NS and CP in moving the cars to Aberdeen Yard, means that the cars don’t sit for days in the SteelCare Center, accumulating demurrage. “Demurrage annoys customers, and then we lose the customers,” Smith underlined.

In the system, inventory is maintained neither in Auburn, nor in Hamilton, but in the railcars. “That takes advantage of what we do best, standing still,” said Smith with a chuckle.

How is the system functioning?

“Everybody did what they said they were going to do, and that made this work, made Nucor more competitive in Canada,” said Smith. Because FGLK monitors the move every day, there are no surprises. “If there is a problem,
we talk to the end customer.”

Doesn’t this make the Nucor sales people jealous, talking to his customer? “Not at all,” believed Smith. “It makes his life easier by coordinating the move. He can take credit for setting up the arrangement, which runs smoothly. We’re not competition, we’re his support network.”

**Other locations Nucor is also using**

Nucor is using the FGLK service for upcoming business into Quebec, Smith said, and has already used it for business in Nova Scotia and New Brunswick. In the latter, FGLK has worked with Pan Am and NBSR’s new Saint John-Waterville lane [see 10#11A] which has “worked very well.”

Nucor is looking at service for Newfoundland, which would mean loading the rebar onto ships, possibly at Ogdensburg or Valleyfield Quebec.

**Lessons for short lines**

FGLK uses the same intensive oversight for cars which terminate on its line. “You’ve got to,” Smith maintained. “The short lines can no longer afford to turn a car over to their connection and forget about it. The small railroads need to participate all the way through.” {ANR&P discussion 4.Apr.11}

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**MAINE**

**MMA/MDOT: NBSR WINS**

5 April, Augusta. *MDOT ANNOUNCED THAT IT HAD SELECTED NBSR’s EMRY TO OPERATE THE 233 MILES OF TRACK* it purchased earlier from MMA. {MDOT press release}

**More information**

Denis Berube, director of Planning & Transportation Services for the Northern Maine Development Commission, who coordinated northern Maine input, wrote this day:

“The decision was reached unanimously by the selection committee last week following presentations by Rail America on Tuesday March 29th, and by EMR on Wednesday the 30th and subsequently approved by the governor before the weekend.

“The committee was composed of Nate Moulton, the state rail coordinator at MDOT, his boss Rob Elder who runs the MDOT Office of Freight Transportation, Travis Turner who runs the LP plant in Houlton, Gary Hunter of Railroad Industries Inc [the consultant to MDOT on the purchase of the track], and myself.

**Patriot Rail bowed out**

“Patriot Rail made the decision of bowing out of the competition during the previous week, citing other important investment projects they are currently involved with.

“Back on March 3rd, all finalists were provided with the same list of contacts consisting of mainly shippers, potential shippers, and people of interest as they relate to railroad activities. The purpose was to allow the candidates a chance to build a more accurate proposal, based on conversations with the businesses, regarding shipping requirements, time lines, car loads, expectations and anything else relevant.

“All candidates sent representatives to the county in order to spend both time with shippers and to get a chance to look at the tracks and get a general feel for the County.

“When it came to the final presentations, both remaining competitors presented strong cases but EMRY had more specific and detailed plans as to how they were going to do this.

“They communicated with most everyone involved, had a strong operating plan, excellent capital backing, an extensive array of operating and maintenance equipment on hand, strong safety and personnel development programs,
realistic pro-forma expectations and plans for business development.

‘Beyond that, they conveyed a very strong commitment to providing reliable service to even the small rail shippers in the County. In a number of cases they’ll also be able to provide something new to some of the shippers which is routing options over the other carriers which are CN, MM&A and Pan Am at their interchange points.

‘As things stand, the lease agreement is presently being worked by on by MDOT and may be finalized as early as the end of the week or early next. No snags are anticipated and for all intents and purposes this will be a go.

‘Though there is no current official date for a handoff, EMRY feels very confident that they would be ready to take over in plenty of time prior to the end of the current operating agreement between the state and MM&A in June.

All attempts will be made towards a seamless transition in service.

It’s been a long 19 months since all this started. This was something the County couldn’t do without and was well worth the effort by all involved. The ball is now in EMRY’s hands and it will be interesting to see where they can take this in the near and long term.’  {e-mail to ANR&P and others}

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**CN v MMA: FINALLY AN ORDER!***

1 April, Bangor. *FEDERAL JUDGE JOHN WOODCOCK DENIED THE MOTIONS BEFORE HIM*, in his order more than three months after the three-day hearing: CN’s motion for a preliminary injunction, MMA’s motion to compel arbitration, and MMA’s motion to dismiss. In the process, he concluded CN’s argument that the parties had made a mutual mistake in 2001 was not a winner.

**Motion for Preliminary Injunction: no success on the merits**

CN’s motion for an injunction had to succeed on the classic four points: (1) likelihood of success on the merits; (2) irreparable harm; (3) the balance of harms favors CN; and (4) public policy favors CN. Woodcock found that CN was not likely to succeed on the merits. {page 19 et seq}

**No mutual mistake**

To succeed, Woodcock noted, CN must convince him that it can show that the parties to the 2001 easement agreement made a mistake, that they (BAR and CN, at that time) meant to give CN an easement into the Twin Rivers mill, and not to a point just short of the mill.

To meet the legal standard of mutual mistake, CN must show not only that it made a mistake, but also that BAR made a mistake. CN failed on both points.

Woodcock noted in his opinion that the point chosen to interchange traffic, milepost VB 0.0. [see photo 10#12A page 14] is ‘not an arbitrary location in the middle of the woods, as Canadian National has intimated. It is a logical drop-off point for Canadian National trains to be switched by BAR into the mill yard.’ {page 47}

Also, ‘although BAR and Canadian National carefully worked out a Trackage Rights Agreement and the [Junction Settlement Agreement], there is no switching agreement for Canadian National’s entry into BAR’s yard. From the Court’s viewpoint, having heard the testimony of the railroad experts, it is highly unlikely that a railroad would transfer switching rights in its yard without a switching agreement.’ {page 48}

Finally, Woodcock reported that, even if CN had made a mistake, the witnesses had convinced him that BAR had not made a mistake, so the second part of the ‘mutual mistake’ test was lacking.

**Balance of harms**

Even if CN legally could access the mill, it was not possible practically, Woodcock concluded. ‘The preliminary injunction hearing made apparent the enormity of the cooperation necessary for two railroads to share a switching yard as busy and compact as the one at Twin Rivers. While the handoff at Milepost 0.0 assuredly involves some communication and coordination, it reaches nowhere near the levels required to share the switching yard. Put simply: the logistical gap maintained by declining to reform the contract is several orders of magnitude smaller than the gap that would be created by reformation.

‘MMA does not use its switching yard to service only Twin Rivers. Mr. Grindrod testified: “This is the yard . . . where we manage the operations on the northern portion of the railway. . . . [W]e run trains in here from
EFFECT ON NORTHERN MAINE
CN failed to achieve what both it and Twin Rivers wanted: direct CN access to the Twin Rivers paper mill in Madawaska.

Twin Rivers has three choices: return to the bargaining table and talk to MMA, difficult at best considering Judge Woodcock’s characterization of the parties [see article]; or continue the transload operation; or close the facility. The last would have a disastrous effect not only on the mill workers and the economy in Madawaska, but also on MMA and the future operator of the 233 miles which MMA is abandoning, though MDOT claims that the Twin Rivers traffic is not needed to make the 233-mile operation viable. {editor}

Millinocket that bring goods up to several other customers and to the interchange with the Canadian National at St. Leonard, which is just across the bridge from Van Buren. We have several other customers up here, and in addition to that . . . we serve Twin Rivers from this facility.” Mr. Grindrod explained that the activity in the yard exceeded its small size,’ characterizing it as five pounds in a 2-pound bag. {page 55}

Agreement does not require arbitration
Turning to MMA’s motion to require that CN enter arbitration [see 10#12A], Woodcock found that the access dispute involved disagreement on the language of the Easement, and that the Easement contained no arbitration provision. MMA argued that the arbitration provision in the Trackage Rights Agreement was incorporated into the Easement, but Woodcock disagreed. {page 32 et seq}

MMA motion to dismiss
Since MMA moved to dismiss in the context of requiring arbitration, Woodcock denied that motion.

Interesting Notes
In his opinion, Woodcock made some interesting observations about the situation of the parties:

‘Historically, MMA and, before it, BAR have been the only rail carriers to directly serve the mill. While economic times were good, the business relationship was mutually beneficial. Twin Rivers, MMA, and Canadian National each understood their respective roles and profited from their relationship...More recently, however, economic times in the paper and railroad industries have not been good. [Reference to BAR bankruptcy.] In the spring of 2009, Twin Rivers’ predecessor, Fraser Paper, Inc., followed suit, entering into bankruptcy.’ {page 6}

‘As Twin Rivers produced less paper, MMA gave Twin Rivers less service, and the level of service and its cost became a sore point between Twin Rivers and MMA. At one point, MMA trains came to Twin Rivers six days a week, but as the volume of paper decreased, MMA gradually reduced its schedule and is now servicing the mill only three days a week. MMA’s reduced schedule and cost structure have played havoc with Twin Rivers’ attempts to regain its competitive edge.’ {page 6}

‘The issue is not just service, it is cost. According to Mr. Dutton [Twin Rivers chief], MMA quoted Twin Rivers a price of $1,586 to load its paper at the Twin Rivers’ mill and transport that paper the 24-mile run to St. Leonard, where it would be transferred to Canadian National. By comparison, Canadian National was taking the same paper all the way to Montreal for about one-third the price. Mr. Dutton said that the escalated MMA price doesn’t seem reasonable and puts Twin Rivers at a competitive disadvantage.’ {page 7}

Woodcock’s opinion characterized the access to the Twin Rivers plant from the south [the very route which three potential operators are now evaluating–see other article] as ‘hopeless’: ‘The so-called Madawaska subdivision is
hopeless for Twin Rivers since shortly after leaving west from Madawaska, it dives deeply into the Maine woods and does not emerge until Millinocket and later in Hermon, Maine, just south of Bangor. However, the Van Buren subdivision has potential. If Canadian National could take the place of MMA on the Van Buren subdivision, Canadian National could pick up Twin Rivers’ paper products at the Madawaska mill and transport them down the Maine side of the St. John, over the river to St. Leonard, where Canadian National could commence its trip to Montreal and beyond.’ {page 11}

‘MMA and Twin Rivers do not disagree about much of the history or even the desirable solution. Both would prefer a competitive productive mill in Madawaska and efficient cost-effective rail service. A major problem, however, is that their separate operations are so complex and intertwined that when the mill falters, the railroad must cut its own costs by cutting service. As the mill prospers, the railroad is not able to quickly react.’ {page 7}

‘Mr. Dutton acknowledged that he has a demeanor problem with Mr. Grindrod and with Mr. McGonigle, MMA’s marketing manager. Mr. Dutton described the relationship with MMA as awful, unlike anything [he] had ever seen. The Twin Rivers’ relationship with Mr. McGonigle got so bad that when people from Twin Rivers had to visit the MMA office, Mr. McGonigle had to go outside and sit in a car.’ {page 10}

Why did Woodcock take so long?
The hearing at which Woodcock listened (and by the references in his decision, he listened closely) to witnesses occurred 20-22 December [see 10#12B]. Why then did he render a decision more than three months later? He did not explain, but in a footnote in his well-written, and well-reasoned, opinion, he stated: ‘The Court commends all counsel on their excellent written and oral presentations. Also the Court acknowledges the parties’ expectation of a quicker decision and regrets the length of time it has taken to issue this order.’ {page one}

{Court website, case # 1:10-cv-00452-JAW}

Burkhardt comment
The chair of MMA, Ed Burkhardt, wrote after hearing of the decision: ‘It seems to me the ball now is in the plaintiff’s court. This wasn’t our case; it was an attack on our company that failed. Our objective now is to restore normal relations with CN and Twin Rivers, which will not be easy, but would clearly be beneficial to all parties. We are willing to do our part.’ {e-mail to ANR&P 1.Apr.11}

Dutton comment
Jeff Dutton, Twin Rivers president, called the decision “disappointing.” Twin Rivers faces the added cost of using MMA to move cars loaded with paper to an interchange with CN in St.Leonard, or continuing to dray the paper over to Edmundston and load it into cars there, or it could close.

Dutton said, “We are not going to close. We can continue to transload, it’s a viable option, it saves a lot of money over what we were paying.” He was also willing to entertain MMA rail service, “if they can address the service and cost issues, and present us with a viable business plan.” But “we can’t compete on the open market paying $1500 per car to move the car 25 miles.”

He could also foresee “a deal with the new operator” and MMA to run south. {ANR&P discussion 1.Apr.11}

MMA: VAN BUREN ABANDONMENT*
28 March, DC. THE RAILROAD FORMALLY FILED A NOTICE OF EXEMPTION to abandon four-tenths of a mile at the Logistics Management System reload [see 11#02B]. MMA asked for expedited consideration because the federal government wants to spend funds immediately to stimulate the economy, by building a new port of entry at the reload site. {STB website, filings page, Docket No. AB 1043-2}
SLR-PAR: SERVICE TO MONTREAL*

16 March, Auburn. **CONSULTANTS LOOKED AT AMTRAK PASSENGER SERVICE TO MONTREAL** via Pan Am out of Portland, then SLR or Pan Am from Yarmouth to Auburn, and then SLR from Auburn to Montreal. Transportation planners from consultant AECOM told an Auburn crowd at a public meeting this day that extending that service to Montreal could cost between $676 million and $899 million in inflation-adjusted [4.6% per year, which is low, mark my words—*editor*] 2020 dollars but the service could attract an additional 204,400 passengers to the Amtrak Downeaster service.

The Portland-Montreal service, on 283 miles of FRA Class 3 (59 miles per hour) track, was projected for two round trips daily, a 7-hour, 20-minute trip (including 90 minutes for customs with a customs facility in each country), and a transfer in Portland for Boston passengers. {text of power-point presentation}

**Why the price range for the service?**

Consultants AECOM put the range of cost at $676 million to $899 million for the entire segment. Sue Moreau, the MDOT project manager for the study, supplied this explanation from AECOM’s Jay Duncan:

‘For service to Auburn, the delta is $127 million - and varies due to the level of infrastructure upgrades warranted. The low end ranges from installing passing sidings and signals, to double-tracking from Portland up to Danville Junction.

‘For service to Bethel, the delta is $222 million ($95 million from Auburn to Bethel plus the aforementioned $127
million from Portland to Auburn). This higher range includes the uncertainty of building a second track between Auburn and South Paris, and all of the uncertainty associated with track upgrades from Portland to Auburn.’

From Bethel to Montreal, no such uncertainty exists. Duncan also noted the escalation rate is listed incorrectly at 4.6%. The actual factor is 4.26%. {e-mail to ANR&P from Moreau 25 Mar. 11}

**SEARSPORT: PROPANE**

22 March. **DCP MIDSTREAM IS ABOUT TO EMBARK ON THE PROPANE TERMINAL PERMITTING PROCESS.** Following a March 5 Searsport Town Meeting vote to approve a zoning ordinance change allowing structures up to 150 feet at Mack Point [see 11#02B], DCP Midstream, which does business in the Northeast as Gas Supply Resources, is prepared to move forward with plans to construct a marine propane terminal there.

‘We are continuing our engineering and permit preparation for all of the local, state, and Coast Guard permits required for the project,’ wrote DCP Midstream spokesperson Roz Elliott. ‘The next step in the permitting process will be to have official meetings with the Corps of Engineers and Maine Department of Environmental Protection to start the federal and state permitting process. We have met with both of these agencies as well as several others to discuss the project in general and get their initial feedback which so far has been favorable. We will be incorporating that feedback into the permit applications.’

Asked how many months DCP Midstream anticipates the permitting and construction process to take, Elliott wrote it is ‘premature to gauge the timing.’

**Existing propane moves**

**Pipeline.** DCP Midstream/Gas Supply Resources receives propane on the Texas Eastern Transmission Pipeline, which brings propane as far north as Selkirk, New York. The terminus has no direct rail access; trucks move the propane from the terminus.

**Rail.** Albany (D&H), Auburn (SLR), Berlin (NECR, next to Montpelier), Westfield (PVRR), and Bangor (MMA) propane receiving terminals.

**Marine.** Gas Supply operates one marine terminal in Providence [see 07#04B], and in 2010 acquired its second [see below]. Searsport would be the third.

**Reasoning for Searsport**

DCP Midstream has said it is pursuing a marine propane terminal in Searsport in order to import five to six shipments of propane from abroad per year. ‘A diversity of supply logistics is needed to ensure the entire Northeast enjoys supply. Our systems are interconnected, allowing us to move supply throughout the Northeast through our diversity of rail, marine, truck and pipeline.’ {Elliott e-mail}

Elliott reported the company is pursuing the Searsport facility because it offers ‘proximity to the market and Providence is quite busy already. Demand will continue to grow in the Northeast. We are adding to the certainty of supply.’

A marine propane terminal in Maine would also offer a hedge against interruption of rail service. ‘We have experienced in the past rail constraints such as the CN rail strike which constrained supplies into the Northeast, and specifically affecting Maine.’

Also 'increased condensate exports to Canada, to use as a blendstock for heavy crude, have tightened the rail infrastructure in Alberta making it more challenging to run a rail fleet.' {Elliott e-mail to ANR&P’s Ed Beem 22 Mar. 11}

**Mid-Atlantic marine terminal acquired**

DCP Midstream also acquired a marine propane terminal last year to serve the mid-Atlantic market. ‘On July 30,
2010, we acquired Atlantic Energy, a wholly-owned subsidiary of UGI Corporation, for $49.0 million plus propane inventory and other working capital of $17.3 million. Atlantic Energy has a contractual agreement with Spectra Energy, the supplier of the acquired propane inventory, in which the final price of the acquired inventory will be determined based upon index rates at established future dates… Atlantic Energy owns and operates a marine import terminal with 20 million gallons of above ground storage in the Port of Chesapeake, Virginia. The assets serve as a supply point for propane customers in the mid-Atlantic region, and will extend our existing northeast U.S. wholesale propane business into the mid-Atlantic.’ {DCP Midstream Partners Quarterly Report, 9.Aug.10}

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**MASSACHUSETTS**

**CSXT: CLOSING OF WORCESTER***

29 March, Worcester. *THE RAILROAD WILL REROUTE ‘MUCH OF THE TRAFFIC MOVING OVER WORCESTER’,* it announced. Some will go to Springfield, where CSXT has ‘already completed the terminal expansion and modernization of the Springfield terminal in late 2010.’

**Last days for some lanes**

‘Regarding affected lanes, please be informed that April 22nd will be the last day to tender loads destined for Worcester, and April 24th will be the last day for outbound shipments. More specific details follow here below:

- All Worcester traffic originating in Cleveland and Indianapolis will continue to terminate in Worcester.

- All Worcester traffic currently originating or terminating in Columbus, East St Louis, and Kansas City will move over Boston.

- All other Worcester traffic will have a choice to move over either Boston or Springfield

Effective May 1, both the Boston and Springfield Terminals will operate with one-day free time (as in Worcester today) and six-day business rules.’ {Notice to customers}

**MC: NO DEBRIS BY RAIL***

7 March, New Bedford. *EQ NORTHEAST WON A CONTRACT TO MOVE DEBRIS FROM A CONTAMINATED BUILDING SITE,* according to an award letter issued this day by the City of New Bedford.

Dave Dickerson of the EA reported in November 2010 that the 450,000SF Aerovox plant on 10 acres next to the Acushnet River was scheduled for demolition in 2011. The site is contaminated with PCBs from the manufacture of electrical capacitors and transformers. ‘As a result of this manufacturing history, soils and groundwater at the site as well as the building itself are heavily contaminated with PCBs. This facility is considered one of the major sources of historic PCB contamination to New Bedford Harbor.’ {EPA website}

**New Bedford in charge: no rail direct**

On 23 March, Bill Lovely, the EPA project manager, explained that EPA had agreed to fund the cleanup, but that it had delegated the process to the City of New Bedford. The City in turn issued an RFP, and issued the award letter.

Because of the bridge construction removing access to the main line to New Bedford [see 11#03A], EQ Northeast ended up planning to truck the debris to MHF, the same facility in Worcester which will receive the dried harbor sludge.

All work will occur this year, said Lovely. “They’ll mobilize in early April, take out the hazardous material, and then demolish the building. The intent is to finish by the end of this year.” {ANR&P discussion}
Public meeting
On 29 March at the New Bedford City Council Meeting EPA, MassDEP and City of New Bedford officials will present updates on the Aerovox, Parker Street and New Bedford Harbor projects. {EPA notice 24.Mar.11}

PAS: EXPANDING AUTOS
14 March, Ayer. **THE TOWN HAS ASKED FOR MORE DETAIL ON PAS PLANS TO EXPAND THE SAN VEL FACILITY.** At the end of February, PAS has sent Ayer plans dated November 2010 showing an expansion of its auto facility at the Willows.

The plans show an additional 1200+ spaces to be built just south of the existing facility [and the CSXT facility still stands vacant only a stone’s throw away–see editorial], with no additional rail access.

In a letter this day, Ayer Public Works Superintendent Dan Nason asked George Thayer, ST chief engineer for D&C projects, for more drainage calculations. The town remains concerned about damage to the town’s drinking water from the Spectacle Pond aquifers, which extend under the terminal, both existing and planned. {text of letter and plans}

No protest yet
On 5 April, Nason said he had not yet received a response. However, he has not himself followed up. “Since coming here two years ago, they have been very receptive to meeting to me..professional and courteous,” though the two sides have “agreed to disagree.”

Nason has heard some “underground grumbling” about the expansion. {ANR&P discussion 5.APR.11}

According to local reporter Mary Arata, citizens have not yet raised a protest, as they did for the first phase of the auto facility. {e-mail to ANR&P 31.Mar.11}

PW: PROGRESS
30 March, DC. **NATIONAL GRID ASKED THE STB TO HOLD THE PW PROCEEDING ‘IN ABEYANCE’** because the parties were, according to National Grid, close to an agreement:

‘The parties have made significant progress toward an agreement to relocate National Grid’s Q-1418 line. They have agreed on the physical aspects of relocation of the transmission line so as to avoid interference with PW’s proposed [construction of a second track] between Worcester and Barbers, and they recently completed negotiating the terms of an easement to govern the relocated Q-1413 line’s continued occupancy of PW’s property.

‘All that remains is to negotiate new compensation terms for National Grid’s use of this property. National Grid is hopeful that the parties can reach agreement on the compensation issue within the next sixty days, and believes the prospects for timely and successful completion of this aspect of the negotiations would be enhanced if there is no impending threat of regulatory involvement.’ {National Grid filing in STB website, filings page, FD 35393 30.Mar.11}

Posture of the case
PW sought from the STB a declaratory order that it could, without running afoul of Massachusetts law, remove a power line of National Grid’s in its right of way. National Grid filed a reply, and then in September 2010 a motion to strike some PW statements. [See 10#09A.] Since then the Board has not acted, nor has either party filed anything with the Board.

ST: POSSIBLE NEW CUSTOMER*
1 April, Lynn. **GENERAL ELECTRIC IS CONSIDERING RE-OPENING ITS INDUSTRIAL FACILITY HERE** to manufacture locomotives, as its Erie, Pennsylvania facility is at capacity. GE just closed in January the gear manufacturing facility, which lies adjacent to the MBTA Rockport line and on the shore. On the other side of the T
tracks lies the GE jet engine facility, still in operation.

GE spokesperson Richard Gorham said the potential expansion is "in the earliest stages of review." The gear plant's size, high ceilings and heavy duty cranes "make it advantageous" for rail-related manufacturing. "The former gear plant is a site being reviewed by our transportation business people." {Thor Jourgenson in Lynn Daily Item 1.April.11}

**MASSPORT: NEW SERVICE**

24 March. **COSCO, YANG MING, AND HANJIN WILL BEGIN A NEW WEEKLY SOUTH ASIA / SOUTHEAST ASIA SERVICE TO BOSTON,** called AWE [all-water-east]-5, using 5,500 TEU ships. It will sail to the US East Coast via the Suez Canal, calling New York, Norfolk, and Boston, and return via the Suez to Singapore, then Kaohsiung, Taiwan; Hong Kong; Yantian, China; Vung Tau, Vietnam; and Singapore. ‘We expect the first ship to arrive at the end of May or early June,’ wrote Massport spokesperson Lynn Vikesland.

‘Boston has been allocated 1,300 TEU on the inbound and outbound legs of the service. We think this service will generate a great amount of interest from New England importers and exporters, offering destinations not previously directly accessible from Boston.

**Change in existing service**

‘...[T]he AWE-2 weekly service currently calling North China will change its port rotation by adding Norfolk to the northbound schedule. This will change the day AWE-2 (Asia-East Coast United States) calls Boston from Thursday/Friday to Monday.’

**Existing lines**

These lines now call Boston: Mediterranean Shipping Company, and the CKYH Alliance (COSCO, “K” Line, Yang Ming, and Hanjin) in shared slots AWE-5 and AWE-2. {Massport notice to customers; COSCO website}

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**NEW HAMPSHIRE**

**NHDOT: STATE RAIL PLAN**

**PUBLIC MEETINGS TO LAUNCH THE STATE RAIL PLAN** were held to obtain input to support the development of an updated State Rail Plan: 6 April in Concord and 7 April, in Littleton.

**MBRX v ST: MOTION TO DISMISS**

23 March, Concord. **ST ARGUED THAT THE MBRX COMPLAINT STATED NO LEGAL CLAIM** and therefore should be dismissed, in a motion filed this day in US District Court here. ST noted that MBRX was proceeding against ST on the basis of violation of the contract (a state law question) under which MBRX uses the three miles of ST track between Wilton and Milford [see 11#02A].

ST argued that the federal law creating the STB pre-empted any state law claims, and since MBRX had no federal law claims in its complaint, the court should dismiss the case.

According to the court docket, there is a ‘followup on Objection 4/11/2011’. {court website, case 10-cv-00264}

**Mini-editorial**

Those of us who hoped that the departure of Big Dave Fink [see 11#03A] meant the end to the Pan Am holy wars are disappointed, but not surprised, that his son has not seen fit to cut through the legal wrangling to a simple solution. One such: sell the line to MBRX owner Peter Leishman. **Editor**

**Insurance company settles**

Peter Leishman, MBRX owner, said that the insurance company, after MBRX filed a suit in New Hampshire
Superior Court, recently paid all claims for damages to his caboose from the collision [see photo in 11#01B], a sum of $86,000, and all amounts for business interruption. {ANR&P discussion 29.Mar.11}

**MBRX v ST: INJUNCTION HEARING***

29 March, Concord. **MBRX WILL FINALLY GET TO ARGUE ST SHOULD IMMEDIATELY PERMIT LEISHMAN TO OPERATE** on its tracks. Federal Magistrate Landya McCafferty set the following schedule, including a hearing on the motion for an injunction on 29 April:

**MBRX motion for injunction**
- 1 April: MBRX to file motion for preliminary injunction
- 11 April: ST to file response
- 29 April: Hearing on injunction. (Limited discovery to occur during April.)

**ST motion to dismiss case**
- 11 April: MBRX objection to motion to dismiss due.
- 29 April: Defendants request a hearing on the motion before 29 April, or contemporaneous with the motion for an injunction.

**Trial date**
If defendants’ motion to dismiss is not granted, the parties will conduct discovery and then file motions until 4 January 2012, and the trial will occur within the two-week period beginning on 4 January 2012.

**Motion for injunction filed**
Leishman did file the motion for preliminary injunction on 1 April, which went through three grounds needed for an injunction [just as Judge Woodcock did in the CN v MMA case, see Maine].

Likelihood of success. The facts of the case indicate that the MBRX practice is consistent with the applicable rules for operating over a crossing.

Irreparable harm. MBRX and Granite State Concrete, its customer, are losing money which cannot be regained later. The state is losing income because MBRX operates on its tracks, and because it must maintain the roads suffering additional truck traffic. To wait until the trial date of January 2012 means losing another season, and perhaps forcing MBRX to close.

Relative harm. ST would suffer no harm by permitting Leishman to operate; indeed, it would earn money.

Public policy. The memorandum of law does not address this. {court website case 10-cv-264}

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**RHODE ISLAND**

**PW: CUSTOMER UPDATE***

23 March, Kingston. **STILL LUMBER, BUT NOT STONE, MOVES TO ARNOLD LUMBER** here. Dave Beattie, who handles rail, said the yard received in 2010 only “15 to 18 cars,” while in the mid-2000s he was getting in one a week. The drop occurred because of the Great Recession. He gets plywood from Eugene, Oregon, in boxcars and lumber in centerbeams “from Idaho to British Columbia.”
What about using a large lumber yard?
Instead of rail direct, Beattie has in the past priced draying the lumber from New London, the former Sherwood yard, served by NECR. Occasionally the price of cross-docking and drayage was lower than rail direct via PW.

PW service is as good as it was ten years ago, he said, despite the introduction of the Acela service with the concomitant upgrade of the NEC.

No stone
Arnold is beginning to handle stone such as pavers, said stone manager Jean-Marie Carret. “It’s a new project and we will do truck first”; rail may come later. The pavers come from only an hour away. He also anticipates bluestone, cobble stones, and granite. {ANR&P discussions}

PW: POND VIEW SAFE?**
16 March, Providence. **THE BILL WHICH COULD SHUT DOWN AN EAST PROVIDENCE C&D FACILITY** ran into resistance at the State Senate Environment and Agriculture Committee. Under bill 2011-S-0184, plants or facilities within a 1,000-foot radius of a neighborhood could not process more than 150 tons of material a day [see 11#02A].

“This bill is clearly unconstitutional,” said Pond View vice president John Walsh at a committee hearing. “It’s an anti-business bill targeted at closing our business down.” The DEM and city inspectors visit the site regularly, and the company has received no violation notices, Walsh said. “This bill represents a group of residents who have moved in over the years and don’t like living near an industrial park,” Walsh said.

Residents at Wednesday’s hearing disagreed. “We are taxpayers,” Rumford resident Jo-Ann Durfee told lawmakers. “But unlike you, we are prisoners of our own homes.”

“Neighbors can’t open windows. They can’t enjoy their yards,” added Kenneth Schneider, co-president of the East Providence Coalition. {Paul Davis in Providence Journal 17.Mar.11}

Status
On this day the Committee recommended the measure be held for further study. It is scheduled for hearing and/or consideration on 6 April. {General Assembly website}

PROVIDENCE: STUDY COMMISSION*
24 March, Providence. **THE PORT OF PROVIDENCE COULD PROVIDE MORE JOBS**, according to testimony by Bruce Waterson of Waterson Terminal Services, the operator of the port, to the joint House-Senate port study commission [see 11#02B].

The port provides 1,500 jobs. The two new cranes should add another 500. “These are some of the largest mobile harbor cranes in the world. So, just the fact that we're going to get the cranes, when those cranes are delivered, the publications like the Journal of Commerce that are seen around the world will all pick up this story because this is a huge story in the world of ports,” said Waterson. “I think just the cranes alone are going to bring us a lot more business.” {Bill Rappleye in turnto10.com 24.Mar.11}

PROVPORT: GRANT SAFE*
22 March, DC. **THE $10.5 MILLION TIGER II GRANT FOR PROVPORT IS NOW SAFE FROM CLAWBACK**, the Rhode Island Congressional delegation announced. H.R. 1, the House-passed spending plan that would cut $61 billion included a provision to rescind unobligated money from the Transportation Investments Generating Economic Recovery (TIGER) II grants. USDOT’s Maritime Administration notified the delegation of its plan to obligate the funds to ProvPort this afternoon. {release from website of US Representative David Cicilline}

Maine similarly avoided clawback of the funds for Aroostook rail [see 11#02B].
NBSR: FLOOD LIABILITY?*
22 March, St. Stephen. **NBSR WILL NOT FACE LIABILITY FOR MAJOR FLOODING HERE IN DECEMBER.** Heavy rains on top of melting ice and snow produced runoff conditions that could not be handled by a culvert in a berm north of Ganong Chocolate. The water flooded local businesses until the culvert was eventually washed out by the water, one of several suffered by the rail line. [See 11#01A.]

**Damage losses**
Pat MacKay, owner of Stationery Plus on Route 170, said the flooding cost her business an estimated $62,000 in lost sales and inventory. She blamed her flooding problems on “poor culvert work put in by the railway. It was so obvious.” The berm replaced a trestle several years ago. “It would have worked out if the bridge was still there. It had a huge opening underneath and the water would have flowed through. There wouldn’t have been a problem.”

MacKay said she has no plans to seek compensation from the Irving-owned railway. “Our biggest concern is we don’t want this to happen again. It is really scary and a lot of people feel the same way.” {Pat MacKay in discussions with ANR&P’s Tom Peters. 22.March. 2011}

**NBSR comment**
NBSR’s Mary Keith said, ‘This was an extraordinary weather event. Ours is not the only culvert in the area - there are several others. Our culvert was originally built (and subsequently repaired after the flood [along with other washouts—the line was restored by 17 January]) with independent engineering designs that were approved by the NB Department of Environment who issued the approved permit. The culvert was built originally to withstand a 1 in 100 years flood event.’{e-mail to ANR&P’s Tom Peters  21. Mar.11}

**Culvert was approved**
Bernie Doucet, with the province’s environment department, asked if regulations will change in light of the December storm and potential major events with climate change, said there is a formula and a system to determine the 1 to 100 year flood return period. ‘I can’t say when that was drawn up but the guidelines aren’t that old but with the increased frequency and severity of storm events, if that is in fact the case, then these guidelines may have to be revised. But we do have a climate change secretariat that would advise us when that would have to be done.’ {Bernie Doucet in discussions with Tom Peters. 22. Mar.11}

BELLEDUNE: NEW FACILITY*
16 March. **CONSTRUCTION OF A STEEL FABRICATION FACILITY WILL BE FINISHED BY THE END OF JUNE** and will complete the port’s redevelopment program, said marketing director Jenna Doucet. The $10 million facility, located approximately a kilometer from the port, 400 feet long, 100 feet wide and 85 feet high, will enable the lay-out and production of pre-assembled steel units for use in local, national, and international projects. It recently received a $1.5 million funding contribution from the federal government’s Gateways and Border Crossings Fund, {Transport Canada release 16. Mar.11}

“This facility completes the re-development of the port and works in cooperation with some of the pier work we have already done. We built a roll-on/roll-off and barge terminal so this facility works very much in compliment with that and we’ll be able to ship the modules that will be built there,” Doucet said [see 10#11A].

**Potential business**
“With those [Arctic mining] projects and any expansion going on at those mines, they will need a place to build modules or repair modules going in and out of the Arctic. This provides a facility to do that work and it will save shipping time getting them back and forth. There are quite a few mining projects in the North and we have been
dealing with several of them so it looks promising at this point,” Doucet said. {In discussions with ANR&P’s Tom Peters 25.Mar.11}

**SAINT JOHN: NEW FACILITY**

28 March. **WORK IS EXPECTED TO START SHORTLY ON THE EXPANSION OF THE AMERICAN IRON & METAL FACILITY AT THE PORT.** AIM announced in October it will launch a $30 million expansion to its West Saint John metal sorting and transfer facility, including installing a state-of-the-art, self-contained metal shredder that would establish Saint John as its new regional hub for processing valuable metals derived from items such as end-of-life vehicles, rail cars, household appliances and selected steel shapes from throughout Atlantic Canada and northeastern United States.

AIM’s metal transfer facility, at this location since 2002, now permits only sorting; the shredder will permit AIM to shred and ship scrap metal and heavy steel, mainly sourced from cars crushed off-site and delivered to the terminal. Local scrap merchants will also deliver ferrous metals. {Port of Saint John release 7.Oct. 10}

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**Saint John, port changes.** The black line indicates the area of Port Authority property AIM will use. The autos show the former area for Autoterm parking, into which AIM will expand. The new Autoterm unloading ramp is seen at the end of the tracks running from lower right to upper left between the rows of containers. The Navy Island terminal, where the cars will park, lies to the upper left, mostly out of the picture.

The blue dotted line shows the new rail access, for cars carrying auto fluff to Montreal. (SJPA supplied from AIM permit application)
Changes at the port: Autoterm relocation
On 31 March, the Port Authority announced it had signed a 40-year lease for the AIM site. {press release}

AIM is currently located at Terminal 12, adjacent to Pier 10. It will expand into the area formerly used by Autoterm [see photo]. The autos handled by Autoterm are now discharged at Rodney Terminal, using a ramp removed from a floating dock once used from military vehicles, and stored at Navy Island Terminal. {ANR&P discussion 4.Apr.11}

Production goals
AIM President Herbert Black said all the required permits have been obtained and the US-manufactured shredder will start operating by October 2011; it will increase production by more than five-fold. “We now produce about 40,000 tonnes of scrap metals and we will do a minimum of 250,000 tonnes a year as we build production.”

The residue from the process will loaded onto rail cars and shipped to the AIM facility in Montreal where it is buried in a landfill. Black said when the shredder is in full production he expects there will be about 75,000 tonnes of residue or about 830 rail car loads.

Location
Black said AIM is centrally located to get product from Maritime and U.S. sources. A location like Halifax, he said, would be too far away. He will have no problem competing against other metal recyclers like Schnitzer Steel of Boston, for example, “because our recovery rates are better than theirs.” {Herbert Black in discussions with ANR&P’s Tom Peters 25.Mar.11}

Land use changes at the Port
Expansion of the AIM facility is one of the reasons the Saint John Port Authority has revised its land use plan, said the Authority’s Paula Small. The auto terminal on the port’s west side where cars come in by rail and leave by truck will have to be relocated to accommodate the AIM expansion, plus other business operations will be relocated and some rail lines will be reconfigured, she said.

The port’s Marco Polo Cruise Terminal was also not in the previous land plan “plus there have been other business shifts. The forest industry has changed completely so...things like that ...affect the way we use our lands,” Small said. {Paula Small in discussions with Tom Peters 25.Mar.11}

No effect on Logistec
Madeleine Paquin, Logistec’s president and CEO, said the relocation will not be an issue for the Autoterm operation. “It’s a non event,” she said. {discussion with ANR&P’s Tom Peters 30.Mar.11} Autoterm, which handles between 14,000 and 18,000 units a year, is the Atlantic Canada distribution centre for DaimlerChrysler. All new DaimlerChrysler cars in Atlantic Canada come into that terminal by rail and go out by truck to dealers in all four provinces. The facility also handles KIA automobiles. {Bruce Harding, Logistec Saint John, in discussions with Tom Peters 30.Mar.11}

Forest sector decline
According to the revised plan a decline in the forest industry because of the recession has been most significant at Saint John. ‘Cargo tonnage in this sector has dropped from one million tones in 1996 to an average of 500,000 tonnes per year from 2000-2004 to under 100,000 tonnes in 2010. The primary cause of this has been the closure of paper mills in New Brunswick and the United States and the migration of available forest product exports to the main line container services that fill otherwise empty containers being repositioned offshore for reloading of imports to Canada.’ {Revised land use plan, Page 10, Port of Saint John}
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.

American Iron (NBSR, New Brunswick) New shredder.
Arnold Lumber (PW, Rhode Island) Service good, no stone.
Gas Supply (MMA, Maine) Possible propane by rail.
General Electric (ST, Massachusetts) Locofacility in Lynn?
Logistics Management (MMA, Maine) Moving facility.
Nucor (FGLK, New York) Wins award.
Rawson (PW, Connecticut) Wins award - see Regional.
Twin Rivers (MMA, Maine) Loses CN access case.

PEOPLE

Massachusetts Bay Commuter Railroad, which runs commuter rail for the T, announced on 25 March two major changes. Bernie McCall became new chief mechanical officer. McCall worked his way up from a laborer with Penn Central to become director of mechanical operations for CSXT, then chief mechanical officer for RailAmerica’s Northeast operations, according to a memo from MBCR General Manager Hugh Kiley. Kiley failed to mention McCall’s brief stint at Pan Am Southern as general manager, moving from CSXT to PAS in autumn 2009 [see 09#10A], improving operations there, and resigning in spring 2010 [10#04B].

Ed Motte becomes chief transportation officer, succeeding Stephen Urban, who resigned but will stay on as a dispatcher. Motte, a 40-year railroad worker, became vice-president of transportation at Pan Am in 2006 [see 06#11A] and before that worked for the FRA [see 06#07B].

At Pan Am Railways, Jim Patterson (Maine Maritime Class of ’85) becomes a senior vice-president and some type of chief operating officer with authority over Transportation and Engineering. John Schultz, who in autumn 2010 moved from the Montreal, Maine, and Atlantic Railway to PAR [see 10#10A] along with Melody Sheehan, has became Pan Am vice-president of Transportation, the position he held at MMA.

Serge Dubreuil, president of Logistec Stevedoring Inc., will retire 1 April, after 40 years with the company. In his 18 years heading the subsidiary, its revenue grew 180%. Logistec will “build a new operations team under Mario Blanchet...composed of both internal promotions and external hires, said President Madeline Paquin.

EDITORIAL

CSXT: DOG IN THE MANGER?

Now that Pan Am Southern is actively planning the expansion of the San Vel auto facility in Ayer, all concerned should revisit the refusal by CSXT to permit PAS to use its existing, vacant facility just a stone’s throw from San Vel.

If PAS were getting federal stimulus funds for make-work projects, expanding an auto terminal with another sitting unused next door might make sense. But it’s not.

State officials share some of the blame. CSXT is very interested in its plans to relocate intermodal business from Beacon Park [see Massachusetts], and sell its lines east of that point to the state.
Selling CSXT’s Ayer auto facility to the state should have become part of the deal. That would have endeared the MBTA to Ayer citizens, who fear for contamination of their drinking water.

CSXT has gained nothing by hanging onto the facility, as PAS owners NS and PAR are going ahead anyway. Nothing except moral satisfaction at forcing its rival NS to build an unnecessary facility.