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*Article unchanged from e-bulletin.
**Blue type in article: changes from e-bulletin.
Blue in table of contents and header: new.

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Boston/Portland/Halifax: American Feeder Lines charters ship, starts in May.*
Boston & Halifax: MSC raises container rates.*

NEW YORK
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CONNECTICUT
Perma Treat: NEARS gets ‘treated’ to a tour.

MAINE
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EMRY/MDOT: More details on selection as operator in Aroostook County.*

MDOT/NBSR: Lease agreement will take longer than thought.*

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Provport: Test limestone for PSNH Merrimack plant. Looking at export coal, containers.**

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VRS: New facility for Couture Trucking.*

MARITIMES/QUÉBEC

MMA: Negotiations with Bell-Gaz broken off for sale of subdivision.*

Dalhousie: The port will start its woodchip conveyor in May. Other opportunities.*

RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.

BOOK REVIEW
Railroad Maps of the World disappoints.

FROM THE PUBLISHER

Thanks, organizers
Once again the NEARS board, all volunteer, did an excellent job of organizing and conducting the meeting. Thank you!

-Chop Hardenbergh

Next formal issue 9 May
REGIONAL ISSUES

BOSTON/PORTLAND/HALIFAX: ANOTHER STEP*
21 April. **AMERICAN FEEDER LINES ANNOUNCED IT HAD CHARTERED ITS SHIP** for the ‘New England Halifax Shuttle’: a modern 700TEU container feeder ship, built by Sietas in Germany, renamed **AFL NEW ENGLAND** and delivered early May to start her trade under the AFL flag. {AFL newsletter}

‘The J. J. Sietas shipyard has been in existence in the west of Hamburg on the south bank of the Elbe since 1635.’ {company website}

BOSTON & HALIFAX: RATES UP*
31 March. **THE MEDITERRANEAN SHIPPING COMPANY IS ADDING $240 TO $400 PER CONTAINER TO ITS RATES FROM NORTH AMERICA TO EUROPE**, the carrier's second general rate increase on the trans-Atlantic in a month. MSC ships call Boston [see 11#03B] and Halifax in the Atlantic Northeast; the lower rate increases apply to containers to the United Kingdom, the higher to destinations in Scandinavia and the Baltic. {Journal of Commerce 31.Mar.11}

NEW YORK

D&H: TWO MILES OF TRACK
13 April, DC. **USDOT FORMALLY RELEASED THE $3.3 MILLION OF HIGH-SPEED RAIL MONEY** according to U.S. Transportation Secretary Ray LaHood, from the American Recovery and Reinvestment Act (ARRA) [see 10#11B].

Route of the Adirondack on the D&H
The funds will build two miles of second mainline track used by the Adirondack and Ethan Allen near the Village of Ballston Spa, NY. Both of these services saw an increase in ridership in 2010, and the second mainline track will relieve significant congestion near the Saratoga train station and a major freight classification yard.

The existing congestion requires Amtrak trains to wait up to 30 minutes for the track to clear. The New York Department of Transportation is contributing $3.5 million for this project, which has also signed a service outcome agreement with Canadian Pacific Railway. Construction will begin in spring 2011. {USDOT announcement}

CONNECTICUT

PERMA TREAT: UPDATE
20 April, Durham, Connecticut. **A TOUR OF PAN AMSISTER FACILITY PERMA TREAT** was conducted during the spring meeting of the North East Association of Rail Shippers, courtesy of Mike Bostwick, Pan Am senior vice-president of marketing and sales. After riding buses from Cromwell to Durham, we learned, thanks to Perma Treat tour leaders Don Ponko and Dave Trikowski. (Numbers and dimensions are rough, relying on my memory.)
Source of wood
Railroad ties, made from tree trunks, do not need the quality which lumber does: knots are okay. Independent loggers cut all logs from sites in Connecticut, and truck them to Durham. A measurer sizes the logs, and the logger is paid by the size.

Cutting the logs
The log is debarked; the bark is mulched. The sawyer uses his expert eye to cut out the tie - six inches by six inches, or eight inches by eight inches. The remaining wood, if thick enough, is made into pallet lumber. The slabs, round on one side, flat on another, become stove wood.

The entire log is thus used and sold. The bark mulch in particular supplies a substantial income to Perma Treat.

Treating the ties
The raw ties are bundled into cubes of 100 or so, placed on small railcars, similar to the low-to-the ground mining cars, and rolled into an eight-foot diameter, 100-foot long airtight tube. Here, via high pressure, water is driven out of the ties and creosote is driven in. The resulting black ties are then stored until needed.

Customers
Perma Treat has two main customers: Pan Am Railways, and Metro-North (many bridge timbers with custom dapping). Running only one shift at this point, it can satisfy the orders of these two railroads. At the end of a year, any leftover ties can be sold into the market.

For example, this year Pan Am will use much of the production for a tie job between Worcester and Ayer.

History and rail access
David Fink *pere*, one-time Penn Central official, saw a need for a tie plant in New England, and founded Perma Treat in 1977 [see 06#07A]. Much of its initial production was sold to Conrail.

Perma Treat's Durham plant, along with its sister plant in Mattawamkeag, Maine, are the only two places making ties in New England. PW's spur to the Tilcon Reed's Gap quarry runs adjacent to the facility, and at inception Perma Treat too used direct rail.

PW rail service continued until Fink and Orville Harrold, PW president, had a personal run-in in the early 1980s, after which Fink began draying the ties to a then-ST siding in New Britain. This transloading continues to the present day.

{ANR&P coverage}

**MAINE**

**MDOT: TWO-YEAR WORK PLAN**

13 April, Augusta. **OUT OF $746.7 MILLION IN TRANSPORTATION CAPITAL INVESTMENTS, MDOT WILL ALLOCATE $1 MILLION FOR IRAP.** Nate Moulton, director of the MDOT rail program, wrote that all the old balances are expended in the Industrial Rail Access program, which provides one-third of the cost of new rail sidings or other freight improvements with the railroad providing another third and one-third coming from local match.

Other plans
MaineDOT released its new work plan this afternoon. The plan totals $746.7 million in capital investments, including $75.9 million for aviation, industrial rail access, small harbors, transit and pedestrian facilities.

According to Maria Fuentes of the Maine Better Transportation Association: ‘The plan is a product of the economic realities facing the department. There are efforts in the Maine Legislature to repeal indexing and opposition from the Administration towards bonding for transportation....’ {MBTA Update 13.Apr.11; e-mail to ANR&P from Moulton
EMRY/MDOT: MORE DETAILS*

6 April, Augusta. **FOURTEEN OF THE 22 MAJOR MANUFACTURERS MET THE THREE FINALISTS** who competed to be the line’s operator, before telling Maine Department of Transportation officials that Eastern Maine Railway was their favorite candidate, said DOT rail director Nate Moulton. {e-mail to ANR&P 8.Apr.11}

“The majority of shippers were most impressed or recommended Eastern Maine Railway to us,” Moulton said, “and in the final proposals they came out rated the highest.”

Already the responsible railroad for the freight along 106 miles of tracks from Vanceboro to Brownville Junction, Eastern Maine Railway employs 22 workers in Maine, said Geoff Britt, a communications officer with J.D. Irving Limited, the railroad’s parent company. It lists offices in Mattawamkeag and Brownville Junction.

DOT officials hope to finish a track lease agreement with Eastern in a few weeks, Moulton said.

Twin Rivers traffic

Twin Rivers was a major contributor to MMA before the two failed to reach agreement on new service agreement [see 11#03B]. “We will continue to do what we have been doing,” Moulton said. “We have met several times [with MM&A and Twin Rivers] and we are hopeful that these folks will sit down and negotiate this instead of spending time in court.”{Nick Sambides in Bangor Daily News 7.Apr.11}

NBSR locomotives on the state-owned stretch

In mid-February, four NBSR locomotives moved a 75-car chip train from Squa Pan to Saint John. {RailsNB e-list}

MMA opinion

This makes sense, Joe McGonigle, MMA vice-president said. “Irving owns 1.25 million acres in Maine, making it the largest private landowner in the state. Vertical integration allows them to keep the [transportation] revenues in the family, and I believe they have the greatest growth opportunities for rail in the region.” {ANR&P discussion 6.Apr.11}

MDOT/NBSR: LEASE*

15 April, Augusta. **THE LEASE AGREEMENT BETWEEN NBSR AND MDOT WILL TAKE LONGER** than initially thought, wrote Denis Berube, transportation planner for the Northern Maine Development Commission: 'late next week or the end of the month (April). As a matter of information, this type of stuff apparently usually takes months of back and forth between sides, so essentially they’ve got this one in “fast forward”. At this point there are no serious snags anticipated by either the state or EMRY and both sides have expressed flexibility on a number of items....It’s also anticipated that the handoff will take place well before the operation agreement deadline of MM&A [in June].’ {e-mail to ANR&P and others 15.Aug.11}

MMA: VAN BUREN

15 April, DC. **THE STB PUBLISHED THE NOTICE OF EXEMPTION** to abandon the trackage in Van Buren and move the LMS transload, in order to permit US Customs and Border Protection to construct a new facility. It will issue a decision by 15 July [see 11#03B]. {STB decisions page, Docket No. AB 1043 (Sub-No. 2X)}

MMA: EAST MILL TO CLOSE?**

8 April, Millinocket. **THE POSSIBLE BUYER FOR THE KATAHDIN PAPER MILLS HERE BROKE OFF NEGOTIATIONS** this day. Lee C. Hansen of Meriturn Partners in San Francisco confirmed that the negotiations with East Millinocket and Millinocket town officials over the setting of property tax rates for the towns’ mills had reached an impasse. He at first indicated that Meriturn would withdraw from its effort: “Sadly, this is the end of the process.” But then
he suggested that other parties might restart negotiations with Meriturn.

In an earlier email he sent to several of the parties involved, Hansen indicated that the slow pace of negotiations had forced the East Millinocket’s mill’s customers to start looking for new paper suppliers, which doomed his efforts. “We have made it clear to the parties that the delays in resolving the conditions risked losing customers. Unfortunately, yesterday several of Katahdin’s key customers confirmed they have now found alternatives for their supply of paper,” Hansen wrote. “With the conditions not yet cleared and the recent events regarding Katahdin’s customer base we do not believe there remains a business to turn around and have informed Brookfield of such.”

Katahdin Paper Co. LLC spokesperson Rick Grunthaler said the East Millinocket mill, on a temporary shutdown since 1 April 1, would not restart on 12 April. “It will not start until further notice.”

Governor Paul LePage had been directly involved in the negotiations as recently as 6 April, seeking a 30-day extension for deliberations from Brookfield Asset Management (parent of Katahdin Paper) President Richard Legault, per a statement from his office.

Mark Scally, chair of the East Millinocket Board of Selectmen, said that as far as he knew, none of the conditions set by Meriturn have been met, although union leaders reached a tentative agreement weeks ago and a membership contract vote is set for 15 April. Hansen “was disappointed with how slowly the towns responded. However, we did respond eventually, and there were so many other factors,” Scally said. “When I mentioned on the phone that he had pretty much reached all of his points [conditions for purchasing the mill], he said, ‘You forgot about the biomass boiler.’”

**Tax break unsuccessful**

Under Meriturn’s first proposal to get an estimated $48 million in tax breaks over 10 years from both towns, the East Millinocket mill’s tax bill would decline from $2.1 million to about $46,800 in annual payments to the town starting in the 2011-12 fiscal year, which begins 1 July. Millinocket would see a decline from $2.6 million to about $50,000, Millinocket Town Manager Eugene Conlogue said earlier. The towns have since made a counteroffer to Meriturn, but officials have declined to provide details. As recently as 7 April, Conlogue said he didn’t expect any imminent conclusion to the negotiations. {Nick Sambides in *Bangor Daily News* 8.Apr.11}

**Not good news for the MMA**

Here, noted Joe McGonigle, MMA vice-president marketing, “it’s not just a matter of [the East Millinocket mill] staying open, and re-opening the Millinocket mill, it’s a question of what will the mills produce and does it lend itself to rail.” The East Mill is currently producing newsprint and directory paper but “it’s too soon to tell what the new operator will do. The West Mill, shuttered in 2008, was producing suprercalendered paper, which competes with lightweight coated paper, which is very rail-oriented. “However, if the new operator produced uncoated paper, and installed a converting machine to cut the paper into sheets, that would probably go truck.” {ANR&P discussion 6.Apr.11}

**No hope**

One attender at the North East Association of Rail Shippers meeting, who has handled paper mill logistics for a long time in Maine, said privately his discussions with those involved with the Katahdin mills led him to the conclusion that they will never re-open. {ANR&P discussion 20.Apr.11}

**MMA: MORE BAD NEWS**

7 April, Boston MMA AGREED TO PAY $30,000 TO SETTLE EPA CLAIMS THAT IT VIOLATED THE CLEAN WATER ACT and federal regulations designed to prevent oil spills from reaching waterways.

According to EPA, a railway employee on 2 October 2009 left a fuel transfer unattended in MMA’s Milo shops boiler room. The facility’s secondary containment failed to prevent fuel oil from spilling onto the boiler room’s grated floor. The fuel oil travelled underground and eventually reached the Piscataquis River.

The railway discovered the oil overflow the evening of 2 October and on 3 October alerted the Maine Department of
Environmental Protection, the National Response Center and EPA. The oil spill caused a noticeable, but temporary sheen on the Piscataquis River. The railway hired an oil spill response company and worked with DEP to contain and cleanup the oil spill. Subsequently, the railway worked with EPA to come into compliance with spill prevention regulations.

The violation
According to a complaint filed by EPA’s New England office, the railway violated the Clean Water Act by discharging a harmful quantity of oil into the Piscataquis River, and for failing to fully maintain and implement a Spill Prevention, Control and Countermeasure (SPCC) plan, as required by the Clean Water Act and Oil Pollution Prevention regulations. These oil spill prevention regulations require that specific preventative measures be taken at facilities that store more than 1,320 gallons of oil, and could reasonably be anticipated to release oil products into nearby surface waters or shorelines. These regulations help ensure that tank failures or accidental spills do not lead to oil contamination of surface waters, such as rivers or streams, which could harm human and ecological health.

“Because oil spills can do significant damage to the environment, it’s very important that facilities handling and storing oil do everything possible to minimize the risk of oil spills,” said Curt Spalding, regional administrator of EPA’s New England office. “It’s much easier and less expensive to prevent pollution before it occurs.” {EPA press release 7.Apr.11}

MMA: AN UPDATE
21 April, Cromwell, Connecticut. A snapshot of the railroad just before it stops operating the 233 miles sold to MDOT was provided by Bob Thomas, MMA assistant vice-president for sales and marketing, to a NEARS audience this morning.

The railroad now operates with 187 workers, “about as lean as we can get” [prior to reductions caused by ceasing to operate the 233 miles]. When the B&A operated the trackage, headquarters at Northern Maine Junction had as many as 93 people. Now it has approximately 26.

Operations
The railroad runs 18 trains, the longest distance between Millinocket and Montreal, each way only three times a week due to decreased traffic. The traffic consists (or at least did before Katahdin Paper shut down) of 19% outbound paper, 14% inbound chemicals, 10% overhead autoracks moving KIA and Chrysler to Autoterm in Saint John [see 11#03B shredder story]. This last, said Thomas, “has grown nicely in the last couple of years.”

Thomas counted himself as “cautiously optimistic” about the re-opening of the East Millinocket and Millinocket mills; “we sure need that traffic for our railroad.” [But another NEARS attender, who has handled paper mill logistics for a long time in Maine, said privately his discussions with those involved with the Katahdin mills led him to the conclusion that they will never re-open. {ANR&P discussion}]

Imerys kaolin continues to land at Searsport [see 05#08B–Paris-based Imerys bought 86% of Brazil-based Para Pigmentos in 2010 which operated a terminal in Searsport], whence MMA and NBSR rail it to Irving Pulp & Paper, Saint John.

In Jackman he has a receiver who moves logs 150 miles because he is a “strong supporter of rail” and “no longer can get logs from a closer source.” This shipper has also seen a “nice rebound of lumber shipments.”

Lane Construction continues with its roundtrip, starting with aggregates in Presque Isle, the train moves south to Hampden where it empties out, then south to Stockton Springs, where it reloads with sand. The cars are then pulled north to Presque Isle where it delivers the sand. It then picks up another load of aggregates and the round trip is repeated. It’s a 410-mile round trip with just 17 empty miles. [See 06#08A.]

Logistics Management Systems
This affiliate, which has shuttered its terminals in Jackman, Houlton, and Presque Isle, now only has the Van Buren reload (“historically almost exclusively lumber coming from Canada”) and its main facility in Hermon, which does a “growing coated
paper reload business” and among other business reloads pulp logs [when ST is not performing particularly well–see 05#08B]. LMS has the ability to stuff containers - but not currently doing it.

Comments on the accounts on the 233 miles
NBSR will at some point take over the “22 accounts” which MMA is now serving on the line between Madawaska and Millinocket, leaving MMA to operate 509 miles.

One of them, Huber Engineered Woods, built a new, larger and more modern mill in Crystal Hill, Virginia recently. That “took the longer hauls out of Huber’s Easton mill” so that the average length of haul is 300 miles, traffic much more conducive to truck. In weak season for Huber, however, it will utilize LMS storage.

Louisiana-Pacific, which once sent out 90 cars of oriented strand board a month, after rebuilding to make oriented strand lumber [see 06#07B] now only sends out thirteen carload a month. {ANR&P coverage}

PAN AM: VERSO SERVICE*
7 April, North Billerica. PAN AM PAPER MARKET TRAFFIC INCREASED 22% IN 2010, wrote ST Executive Vice President Cynthia Scarano, in a letter to the editor of the Bangor Daily News published this day:

‘In a BDN article on the state of freight railroads in Maine, Christopher Cousins highlighted a few of the many obstacles that freight rail carriers must contend with. Weather conditions in the Northeast contributed to those already complex challenges. Additionally, no industry, including railroads, has been immune to the economic downturn. However, recent indicators give us reason to believe that there is a light at the end of the proverbial tunnel.

‘Pan Am Railways takes a bullish view on rail traffic in Maine and is positioning itself for success. Employing more than 700 employees, with a yearly payroll of $40 million, we are a significant contributor to New England’s economy. With recent substantial investments in our infrastructure, locomotives and manpower, we have made improvements to our on-time performance.

‘In the paper market, our business was up 22 percent in 2010, and is still increasing. We are predicting double-digit growth in 2011. Our market share with our paper mill partners ebbs and flows with the economy, but we are proud that we have mills that ship 90-plus percent of their product by rail. With fuel prices on the rise, we anticipate many of our customers will ship more of their goods on Pan Am. That is good for our customers, good for our company, and good for Maine.

‘Whereas other companies had to make the tough decision to abandon Maine, Pan Am Railways expects to be a viable presence now and over the long haul.’ {Bangor Daily News 7.Apr.11}

Verso Paper not happy with Pan Am service
The article which Scarano referenced, published in March, stated this in part:

‘Bill Cohen, a spokesman for Verso Maine, which operates paper mills in Bucksport and Jay and is served by Pan Am Railways, said his company slowly has shifted away from rail over the years. While rail once dominated the equation, about 55% of Verso’s incoming materials and outgoing products now are moved on trucks. A major contributor to that shift was the factor identified by McGonigle: Companies keeping lower volumes of stock.

“The days of having 100 days’ worth of paper sitting in a warehouse are long gone,” said Cohen. “The biggest piece of our business with anybody is to be on time and reliable. When we have the right kind of lead time, trains are more efficient, but we’re always looking for the most cost-effective way to get tons of material both in and out. We have to run our business just as the railroads have to run theirs.”

Cohen said the railroads’ performance over the year also has been a problem. Verso officials would like to return to using more rail, said Cohen, but “we need to see dependability and reliability to get there.”
Scarano earlier comment
In the same Cousins article, Scarano said ‘her company is aware of customers’ needs for reliability and efficiency. In the winter months, one of the biggest challenges is weather, which in the past several months has caused at least two of three derailments of Pan Am trains. The cause of the most serious incident, when more than a dozen cars slipped off the tracks in Readfield on Feb. 6, has not yet been determined.

“It’s the same everyday fight that all businesses have with snow and winter,” said Scarano. “The cold is difficult on our machinery. Nothing runs quite right, which can contribute to the reliability factor.”

Scarano says she sees brighter days on the horizon for her company. In the past several months business has rebounded so much — particularly from paper companies, she said — that the company is trying to reverse a downsizing it underwent early last year. Business had fallen by about 32%, but started to improve in May 2010, which caught Pan Am with a shortage of engineers and conductors. Since then the company has trained 40 new personnel.

Scarano said Pan Am also is making improvements to its infrastructure with an eye toward increasing reliability. For example, the company is in the midst of a collaboration with Norfolk Southern railroad to spend $90 million on improvements to the lines, switching stations, loading machinery and bridges between Ayer, Massachusetts, and Mechanicville, New York. Though the project is hundreds of miles away from many of Pan Am’s Maine customers, Scarano said the project’s impact will be felt here.

“If you have bridges that allow more weight, tracks that allow more speed and an automatic distribution center, you cut your times down on the whole system,” she said. “It also broadens the market, which improves service to Maine.” {Chris Cousins in Bangor Daily News 20.Mar.11}

PAN AM: VERSO #2
21 April, Cromwell, Connecticut. VERSO PAPER LAID OUT ITS PROBLEMS WITH RAIL, in a presentation by Michael Partridge, director of supply chain, in a presentation to the North East Association of Rail Shippers semi-annual meeting here.

Description of Verso
“We are a significant shipper, and we have issues which need to be addressed,” Partridge opened. The issues were “not personal; we have wonderful relationships with carriers.”

Verso operates four mills [see box], making coated groundwood and coated freesheet, supercalendered and specialty paper products. Verso took over the mills from International Paper, just after Newpage took over mills from MeadWestvaco, and in a play on words, the Verso owners decided on the name, which means the other side of the paper.

Other facilities. While “we live in the snow belt” in terms of the mills, Patridge said the headquarters is located in Memphis, where International Paper has its headquarters. Customer service remains in Westchester Ohio, where predecessor Champion Paper had an accomplished customer service and logistics team. R&D is done in New York.

Maine problems
More than 50% of Verso’s production occurs in Maine. “We are at record production levels, with more than one million tons to be shipped in 2011

“We ought to be a perfect rail customer, our mills are designed for that, our customers are designed for rail receipt. Our product include large rolls of paper weighing four to five tons, idea for moving by rail long distances.”

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1 What about the other Maine paper mills? Twin Rivers is not using rail into Maine [see 11#03B]. A source close to Madison Paper laughed about ST service to his mill. A source with knowledge of service to Sappi called it “okay.” {ANR&P interviews at NEARS} Old Town Fuel and Fiber is using both truck and rail [see 11#02B].
Unfortunately for rail, “even though we want to ship by rail, our mode mix is changing.” In 2007, 63% went by rail. In 2008, 70%, but that number has shrunk to 37% in 2011. Patridge literally repeated himself: “One more time: even though we want to ship by rail, our mode mix is changing.”

The problem lies in speed and variability. He compared a parameter of 12 days to market, with two-day variability, versus 16 days to market with seven-day variability. The latter requires the receiver to employ much more warehouse space to ensure it has paper for press runs, leads to chaos for the organization, and a much higher inventory cost as the paper is enroute to market.

Request
“Find a solution to the speed and variability for Maine shipments. It’s not just the local carriers, but also the Class Is interchange and service them. Make change happen.

“Improvement is important to the health of the paper industry in Maine. It will also be good for the railroads and for New England shippers.”

Comment
After the Partridge presentation, another panelist, Rob Shepard of International Forest Products noted that logistics in New England lend themselves to truck for outbound product. “It’s a consuming region, so we have a lot of trucks bringing loads in and looking for backhaul.” {ANR&P coverage}

**THE VERSO MILLS**

Androscoggin mill, Jay, Maine, ‘is capable of producing over 1100 tons of coated groundwood and coated freesheet papers for offset and rotogravure printing, on three coated machines. Androscoggin also produces forms and specialty grades on its other two machines and has a market pulp dryer.’

Bucksport mill, Bucksport, Maine has four paper machines capable of producing over 1400 tons per day of light weight coated groundwood papers for offset and rotogravure printing.’

Quinnesec mill, Quinnesec, Michigan, has one paper machine and a pulp dryer capable of producing over 900 tons per day of coated freesheet paper for offset and rotogravure printing. It also produces market hardwood pulp.

Sartell mill, Sartell, Minnesota, has three paper machines capable of producing over 850 tons per day of lightweight coated and supercalendered papers for offset and rotogravure printing. {Verso website}

**MASSACHUSETTS**

CSXT: NO NEW FREIGHT LINE

7 April, Boston. **THE PROPOSED MBTA LINE FROM STOUGHTON TO TAUNTON WILL NOT CARRY FREIGHT.** Kristina Egan, the T’s South Coast rail project manager, said that the Stoughton South Coast Rail alignment (the one selected by the state to extend T service to New Bedford and Fall River) will not be built to freight rail standards.

MassDOT’s transit-rail division claims no market for local freight rail on the segment, Egan said. CSXT freight, as depicted in the MassDOT Freight and Rail Plan, will continue to move via Attleborough to Taunton and interchange with MC.

The plan does recommend track improvements permit 286,000-pound railcars, but does not mention double-stack clearance improvements. {e-mail to ANR&P from Frank Demasi, who spoke to Egan this day}
NS/ST/MASSPORT: ETHANOL TERMINAL*

31 March. CONOCOPHILIPS HAS RECEIVED INITIAL BIDS FOR ITS EAST BOSTON ETHANOL AND PETROLEUM TERMINAL, sources told Oil Price Information Service. The terminal, whose 20 tanks fed by ocean-going tanker can hold a million barrels, has 500,000 barrels of jet fuel storage feeding Logan International Airport via pipeline, 65,000 barrels of ethanol storage, and the remaining storage capacity for gasoline and diesel.

In mid-December, the company asked for bids by 31 March. In late autumn, CEO Jim Mulva said ConocoPhillips was seeking to accelerate the pace of downstream asset sales as it moves to focus more on upstream. The company is in the midst of a $10 billion asset divestiture program. {Platts News Service 29.Dec.10; Oil Price Information Service 3.Apr.11}

No news on the Global ethanol facility
Some believe that Global, working with NS and ST, will rebuild track to the Global tanks in Revere, just north of the ConocoPhillips terminal (the track formerly ran past the COP terminal farther south on the waterway). Then NS/ST will deliver unit trains of ethanol to the Global tanks. [See 11#02B.]

ST: NO GENERAL ELECTRIC*

14 April, Lynn. GE LOCOMOTIVE ASSEMBLY WORK IS NOT COMING HERE. [See 11#03B.] Ric Casilli, business agent for International Union of Electrical Workers Local 201, stated GE management has told the union ‘they have decided not to put new GE Transportation locomotive assembly work into our vacant Gear Plant Building, previously slated for demolition...Local 201 is extremely disappointed by this decision

He blamed the decision on “a GE request to have, as part of any rail work unit bid proposal, an agreement for a significant reduction in the wage rates for all future new employees hired into our separate GE Aviation business unit (approximately 1,860 members) working in the Lynn River Works plant.

GE spokesperson Richard Gorham said any proposal to bring rail jobs to the gear plant would not have been economically competitive without a wage proposal that included River Works aviation jobs. GE offered a wage plan for rail workers and created a "two-tier" wage system for future aviation employees."We looked at a total site solution: It was the only way to come up with a proposal to compete with other alternatives.”

Gorham said any proposal agreed upon by the company and the union would have been weighed against other potential sites for handling the excess locomotive work in other parts of the country, including one submitted by Caterpillar Inc., a firm Gorham says pays lower wages than GE. “We'll move forward with the original plan to demolish the building later this year.” [Thor Jourgensen in Lynn Daily Item 15.Apr.11]

NEW HAMPSHIRE

MBRX v ST: HEARING

7 April, Concord. JUDGE BARBADARO STEPPED IN to resume scheduling and handling the case. Instead of a 29 April hearing before a magistrate on the MBRX motion for a preliminary injunction, and a trial in January 2012 [see 11#03B], he told the parties to prepare for a combined hearing on the motion and a full trial on the same date, 13-15 June. {court website, case 10-cv-264}

ST: POSSIBLE LIMESTONE

20 April, Cromwell, Connecticut. PROVPORT WILL LAND SOME TEST LIMESTONE for the coal-fired power plant in Bow, New Hampshire.

Owner Public Service of New Hampshire is installing a scrubber to reduce emissions, which requires limestone. According to PSNH spokesperson Matt Chagnon, ‘Construction continues on the Clean Air Project and I’ve been told that we are planning to test some of the
systems later this year. When that occurs, we’ll get a small delivery of limestone that will allow the testing of this equipment.

‘After this, we do not expect much in the way of deliveries until the unit is operational. As I understand it, even when the scrubber is running, deliveries are not expected to be frequent. Final numbers will be developed in the future.’

The test move limestone will move by rail, he reported. [e-mail to ANR&P 25&26.Apr.11]

[Full operation is predicted July 2012 date—see 10#11A.]

From Canada
Bruce Waterson of Provport [see Rhode Island] said the test limestone will land at his facility in the near future, coming from Atlantic Canada. It will move to Bow for the test in late 4th quarter 2011.

RHODE ISLAND

PROVPORT: AN UPDATE**

20 April, Cromwell, Connecticut. PROVPORT HAS ONE MAJOR CONTRACT IN HAND, AND TWO MORE IN THE BUSH, Bruce Waterson, head of Waterson Terminal Services LLC, told the North East Association of Rail Shippers luncheon crowd here.

Limestone
Northeast Utilities is negotiating an agreement to receive limestone for its Bow, New Hampshire scrubber from Atlantic Canada, pending successful testing [see New Hampshire]. The Gypsum Centennial has dropped a load of coal at Provport, and is proceeding to receive the first, 50,000-ton load of limestone, which it will bring back to Provport.¹

NU wants to keep the limestone under cover, so Waterson will store it in the lower level of the Marine Terminal building, which has 24-foot high ceilings so that he can move the heavy equipment right in, to dump and doze the limestone.

NU will either move the limestone to Bow by truck or by rail, Waterson said.

The new cranes and loop track
Provport has two major capital projects in the works. It is acquiring two new barge-based cranes [see 10#11B] costing approximately $20 million; while TIGER funds will provide $10.5 million, Waterson still needs to find the additional $10 million.

Similarly, Provport has a federal EDA grant of $1.5 million to build a 2500-foot loop track which will enable 80-car unit trains to serve the port. Waterson needs to match that to draw down the funds, so he is looking for an additional $1.5 million. He hopes to complete the loop track by the end of this year.

Waterson he is “confident we will get the additional financing.” He does have a fallback position though: negotiate with USDOT for one crane and barge.

Crane waiver
On 16 March, the US Maritime Administration announced it had granted a waiver from the Buy America provision of the ARRA, which is funding TIGER II. [Federal Register 16.Mar.11]

Waterson said he will purchase from one of three suppliers out of Europe. A 15 April RFP seeks bids by early May for cranes to lift 140 tons at a reach of 140 feet.

Containers
Waterson believes that the widening of the Panama Canal in 2014 will lead to congestion at the larger ports. The bigger ships needing 55 or 60 feet will call Halifax and Charleston. Ocean carriers can use feeder ships to move boxes to smaller ports such as Portland, Portsmouth, and Providence.

The US Marine Highway “still has a ways to go” before it can deliver domestic box traffic along the East coast. With
cranes, though, Provport will be “fully outfitted” for the container traffic [see 10#11B].

New laydown area
Waterson said Provport is in final negotiations for the 8.5-acre parcel at the southern end of the port area from the City of Providence, and hopes to have it fully paved by year end. He is currently negotiating with two private parties to acquire two additional parcels of land within the port boundary which can serve as container yards. [One parcel is owned by National Grid, the other by the Izzo family–see 09#04A.]

Containers would move from ship to chassis, and then to the new laydown areas, rather than use up precious space at the wharf face.

Export coal
Waterson reported that since the first coal arrived in 2001, he has now handled six million tons to date. Of that, approximately four million has moved by rail to either Bow or Mt.Tom. The other two million moved by barge and truck.

Now he is looking at exporting anthracite. The major coal terminals of Norfolk (NS) and Baltimore (CSXT) handle “more steam coal in a month than we have done since beginning in 2001.” They have little incentive to handle a mere 50,000 tons of anthracite going to China for metallurgical coal.

Provport could do that. It is building an unloading system for export coal, so that it can turn 80-car unit trains on a daily basis. The coal could move in 160-car unit trains, which PW would break into 80-car trains for movement to the port.

The new barge cranes come into play, because they will improve the work at the anchorage in Jamestown [see 10#03B] some two hours sailing from Provport. An 85,000-ton capacity Panamax ship can load 63,000 tons at the pier (more and it would hit the bottom - 40 feet at mean low water), and then move off to the anchorage, where the cranes could top it off with another 22,000 tons. {ANR&P coverage}

PW/PROVPORT: SAFE HARBOR*
early March. **THE PORT AND RAILROAD HANDLED A ONE-TIME INBOUND LOAD OF STEEL** when MV Dintelborg caught fire off New England and the US Coast Guard had it towed into Providence. Chris Waterson, who handles marketing for Waterson Stevedoring, said his crews unloaded about 9,000 tonnes, with 800-900 tonnes moving by PW rail in nine cars.

This was all winter steel heading to the port of Wilmington [from the Netherlands]. When the seaway is open the vessels call Cleveland. The cargo was half plate and half coil. Truck destinations were as far south as Atlanta, north up to Quebec and Ontario, and west out to Michigan, Ohio, and Illinois. The rail destinations were in Utah, Wyoming, and British Colombia. The fire didn't effect cargo operations; however some of the plate was shifted due to the rough seas the vessel ran into. {e-mail to ANR&P 16.Apr.11; CapeCodToday 26.Feb.11}
Vermont

VRS: NEW CUSTOMER*
29 March, Lyndonville. **CTI’S NEW FACILITY HERE IS HANDLING MALTED BARLEY**, according to Jean Couture, principal of Couture Trucking, Incorporated. CTI Bulk Services is located in Troy (not on rail) and he has two rail-served terminals: Orleans, and the new one in the Lyndonville yard.

The site and selection
Couture explained that his first rail terminal, in Orleans [see box] is now maxed out with malted barley. “It makes no sense to build new side tracks, when there’s a whole bunch of side tracks which can be brought back to life. We’re regenerating the whole rail network here, taking what was once functional and bring back to life, that makes it fun.”

The site he selected, in Lyndonville 42 miles from Orleans, was “30-35 years ago a compressed gas operation....The side track is beautiful shape” and can handle 10 cars.

Couture was assigned six acres and cleared two. That needed three weeks and heavy equipment, in part to remove some old steam piping “for some sort of washing facility.” He then hauled in “1500 to 2000 yards of material” to shape the site, and installed silos and a truck scale.

Expected rail traffic
Couture said the Orleans facility was receiving about 350 carloads a year, and the Lyndonville facility should do about 250, including about 30% of the work transferred from Orleans to Lyndonville. The Orleans site is comfortable handling about 300 carloads a year.

“These railcars are all leased cars contracted to Cargill Malt from Sheboygan, Wisconsin, and Rahr Malt Group from Shakopee,
History
Jean Couture began CTI by hauling milk in 1976. In 1988, he moved to hauling dry bulk, beginning with picking up feed at the Port of Montreal and delivering it to the Old Mill dairy feed mineral facility in North Troy. While adjacent to the MMA line through North Troy, this Old Mill facility [unlike the one in St.Albans, #1047] does not use rail.

Within five years, trucks were hauling to all the grain plants in New England and New York.

In 1995, Canada Maltage in Montreal hired CTI to transport malted barley to breweries throughout New England. CTI remains focused on service to breweries east of the Mississippi River.

The product and users
Both Orleans and Lyndonville handle malted barley, which arrives by rail from the Midwest, Saskatchewan and Alberta, on a direct line to Montreal. MMA and WACR then deliver the cars directly. Couture uses his trucks to deliver the malt to microbreweries as far south as Tennessee, Kentucky, and Georgia.

Lyndonville facility
The new operation is doing well, said Couture. He hopes to increase the throughput, and noted he could handle other commodities because he has four additional, unused acres. At this site he handles the malt for Cargill, ADM, Rahr, and Bries.

He “put a lot of personal and corporate money into the site, and we still have a long ways to go.” At this time the Lyndonville site opens 0600-0900 to permit trucks to load, and 1500-1800 to permit reloading. Couture does not keep workers on site all day.

Orleans facility
Couture has access to two side tracks in Orleans, which he shares with D&C Transportation and Blanchard Oil, so that he has a limited number of car spots and no room to expand.

Here Cargill and Brewers Supply Group (which distributes both Rahr and Bries) of Shakopee, Minnesota are the suppliers.

Former North Carolina facility
Asked why he did not acquire a terminal in the mid-South to serve customers there, Couture said that in the past he used a facility “just south of Raleigh, on the Aberdeen and Rockfish Railroad, but rail rates were not that good.” The customer base was small in that area. By coming north, and expanding in Vermont, he is doing better.

“We have a good connection for rail rates. The customer base in the South is not like New England and the Mid-Atlantic. The northern Vermont location made a lot of sense logistically, and Vermont is very excited” about the traffic.

Minnesota.

“We have added silo storage in Lyndonville for a new customer, Bries Malt from Chilton, Wisconsin. They have customers in Portland, Maine and the malt barley is received on non-leased cars. By having storage we were able to lock in this rail business.” [ANR&P discussions 2-4.11]
12 April, Ste.Rosalie. MMA AND BELL-GAZ FAILED TO REACH AGREEMENT TO SELL THE ST.GUILLAME SUBDIVISION. Even if Bell-Gaz were to buy the subdivision, the liquid propane gas would still arrive via CN to the Bell-Gaz new terminal on the MMA but just off the CN main line [see 11#01A], and MMA would get only the switching fee in any case. [See map in 10#12B]. {e-mail from MMA chair Ed Burkhardt to ANR&P}

DALHOUSIE: A REBIRTH?*

4 April. THE PORT OF DALHOUSIE WILL HAVE ITS NEW WOOD CHIP CONVEYOR SYSTEM UP AND RUNNING IN ABOUT FOUR WEEKS, said the port’s Brian Hyslop, catalyzed by the plans of Halifax-based Great Northern Timber to move 100,000 tonnes of wood chips a year.

Government funding
The Canadian government recently announced a $750,000 investment in the conveyor system project through Atlantic Canada Opportunities Agency’s Innovative Communities Fund. New pilings and a concrete pad will accommodate and support the towers of a wood chip conveyor system to be used to load break-bulk carriers. {ACOA release 16.Mar.2011}

Dalhousie rebuilding
Hyslop said the port formerly depended on exports from the AbitibiBowater newsprint mill, but it closed in 2008. The port’s longshoremen and a local business group approached Transport Canada and under the government’s port divestiture program, took control of the port.

In addition to break-bulk commodities moved by the conveyor, Hyslop noted that Moncton-based 2B Green BioEnergy Corp. is looking at Dalhousie as a site for the first biodiesel plant in Atlantic Canada.

Hyslop said the port is talking to the Canadian Wheat Board about exporting some of the two million tonnes of that moves annually to Vietnam.

Possible other traffic
Hyslop has also talked with container lines about Dalhousie being an exchange hub for container cargo moving back and forth between Brazil and South America and Baltic and Scandinavian countries. And he saw increased Arctic shipping as a “huge” opportunity for the port.

CN rail service an issue
CN owns a six-mile spur into the port, but no longer offers service, said Hyslop. “CN rail hasn’t been very cooperative and the provincial government has been working on our behalf talking with CN to try and keep the line operating.”

[CN’s Julie Senecal wrote, ‘CN followed the federally regulated process and met all its obligations under the federal law. The process allows ample opportunity for potential operators and stakeholders to purchase the line and nobody has done so. Under the provision of the law, CN has discontinued its rail operations over this line. There is no longer rail service. However, we are aware of potential new enterprise and CN leaves the rail infrastructure in place for the time being. As such CN remains in communication with NB Government.’

‘We officially stopped on December 21, 2010’ because CN had no traffic on the line. {Senecal in an email to ANR&P’s Tom Peters 5.Apr.11}]

New to the region? This helps:

Rail Freight Facilities
in New England
Malcolm Laughlin, editor
Chop Hardenbergh, publisher

A directory of the 760+ shippers, receivers, transload facilities, and intermodal terminals on the rail lines.

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19 Holden Road, Belmont MA 02478
m.laughlin@atlanticnortheast.com
Vox: 617-489-4383        Fax: 617-507-0472

Atlantic Northeast Rails & Ports - weekly trade newsletter
Hyslop said that if necessary the port will maintain the line. {Hyslop in discussions with Tom Peters 4.Apr.11}

**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.

- Bell-Gaz (MMA, Quebec) Not buying the line.
- Couture (VRS, Vermont) New Lyndonville facility.
- GE (ST, Massachusetts) No locomotive plant here.
- Huber (NBSR, Maine) Built new, modern plant in Virginia.
- Irving Woodlands (NBSR, Maine) Will move itself.
- Katahdin Paper (MMA, Maine) Closing the second mill.
- Lane Construction (MMA, Maine) The 410-mile round trip.
- PSNH (ST, New Hampshire) Will rail limestone.
- Verso (ST, Maine) Begs for better service.

**BOOK REVIEW**

**Small maps**

In Amsterdam on 15 April, I boarded an ICE train for Berlin with anticipation. Having acquired a review copy of *Railway Maps of the World*, I planned to test it out by following my journey in the atlas. Moreover, the advance copy promised historical maps as well, so I would be able to note where the current alignment deviated from the original one.

In a word, I was disappointed. First, the historical maps often included only part of a country. Second, and more significant, the current maps, which did cover an entire country, were so tiny I could not read the names of the stations. The print was smaller than in the compact edition of the *Oxford English Dictionary*, which I can read without a magnifying glass.

I sighed, and put the book away. True, I could have gazed at the ‘gorgeously illustrated collection of the world’s greatest railway maps and posters, historical and contemporary’ just to enjoy them. The book is well done, as a collection to show off map skills. Unfortunately, it serves no useful purpose.

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*Language:* English
*ISBN-10:* 0670022659
*Product Dimensions:* 11.2 x 9.5 x 0.8 inches
*Shipping Weight:* 2 pounds.
Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the
government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

Frequency and the e-bulletin
ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out
the e-bulletin, only by e-mail. All information in the e-bulletin is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue’s updated stories (those with two
asterisks) and the new stories (without asterisk).

Readers building a personal archive of the newsletter should discard the e-bulletins. The newsletter archive on the web is public, at

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

E-ISSUEL