Regional Issues

NEC: Moves 100 cars a day on main line.*

New Haven-St-Albans: No official common project, though cooperation occurs.*

MERR: NJ ops gets federal dollars. Do short lines on state-owned rights of way make sense? *

Halifax-Portland-Boston: Ocean carriers Hapag Lloyd and Hanjin have signed up.*

New York

CSXT: Customer expanding in New Windsor.

Amtrak: Double-track funded to Hartford.*

NRE: Proposed Rawson quarry support.

PW: Work on Willimantic Branch continues.**

PW: Coal and CN intermodal may use Willi.

PW: Proposed FRA fines for 2010 derailments.*

Maine

Amtrak: $3 million+ for Brunswick extension.*

MMA: MDOT meeting.* Burkhardt does not see Irving moving traffic to Searsport.*

NBSR-MNRY: Comments on new operation.*

NBSR-MNRY: STB waiver okays 15 June start.

Deal concluded.

Pan Am: Idling bill defeated. What to do?*

Portland-Bangor: Irving agrees not to purchase the ExxonMobil terminals in either city.*

Massachusetts

CSXT intermodal: Northwest Ohio terminal opens on 1 June for Boston service.**

MC: New Bedford flour transload?

PAS: Idling in Montague, request to EPA.*

PAS: ConRiver upgrade may start soon.*

Pan Am: New England Transrail to file another status report on its effort to create a tiny railroad.*

ST-MBTA-Amtrak: Some fear the Haverhill bridge may fail, and cut off all rail service to Maine.*

PW: STB orders National Grid, PW to meet.*

New Hampshire

MBRX vs ST: Judge delays trial, views STB option.*

Rhode Island

[No report.]

Vermont

NRE: Work continues to upgrade the line for the Vermonter in Vermont.*

Maritimes/Quebec

Sydney & Canso: Both want harbor dues.*

Rail Shippers/Receivers

A cross-reference to companies mentioned here.

People, Positions, Events

[No report.]

Still looking for New York freelancers
We would like to expand New York coverage, and need more hands to do that. Please let me know of any candidates who would like to write about ports and railroads.

- Chop Hardenbergh

Next formal issue: 21 June

REGIONAL ISSUES

NECR: TRAFFIC COUNT
1 June, Amherst. THE RAILROAD MOVES ABOUT 100 CARS A DAY, said NECR General Manager Steve Coomes, while looking at a derailment here near the Station Road crossing. While getting the track repaired would take a couple of days, stopping the rail service is “not that critical, though.”

The Vermont also uses the NECR tracks here normally, but Amtrak is busing passengers between Springfield and Palmer because of maintenance to the CSXT line, and so can easily bus around the bad track.¹

Coomes estimated the cost of repairing the 500 feet of damaged track at $100,000 to $125,000.

The consist
According to Coomes, the 51-car freight train was headed south; the six derailed gondolas are carrying steel billets. [Possibly for interchange to PW–editor.] {Rebecca Everett et al in Daily Hampshire Gazette 1.June.11}

PAN AM: MORE ON OWNER
September 2010. PAN AM OWNER TIMOTHY MELLON DONATED $1.5 MILLION TO DEFEND THE GOVERNOR OF ARIZONA in 2010. She is a named defendant in lawsuits challenging Arizona’s law seeking to capture illegal immigrants.

Mellon, the majority owner of Pan Am, told KTGA Radio in Saratoga, Wyoming he “believes in the cause. The course Arizona is pursuing is the correct one.

Mellon was described to Rose Law Group Reporter as sort of a “mystery man” to residents of the sparsely populated Saratoga, where he belongs to the Old Baldy Club, an historic and swank resort and golf club.

Although Mellon, who splits his time between the communities of Saratoga and Laramie, as of 2010 had donated the most to the $3.6 million fund, money keeps pouring in from virtually every state. {Lourdes Medrano in Christian Science Monitor on-line 15.Oct.10; roselawgroup blog 3.Sept.10}

Mother’s 2011 donations
On 5 June 2011, newspaper reports revealed that Timothy Mellon’s mother, Rachel “Bunny” Mellon, was named in the indictment of former US Senator John Edwards.

Edwards recently pled not guilty to charges of accepting more than $925,000 in illegal campaign contributions to conceal his relationship with film maker Rielle Hunter while running for president in 2008.

Some $725,000 was given to Edwards by a person named in the indictment as Person C, reportedly the 100-year-old

¹ Because of Amtrack track construction in Vermont [q.v.], Amtrak will substitute from southern Vermont northward this summer. {NERail 6.June.11}
Rachel Mellon according to the *New York Times*. Mellon’s representatives told the newspaper that the money given to Edwards was a personal gift and she didn’t know how he used the money. {Dan Hart in Washington at dahart@bloomberg.net}

**AMTRAK: NEW HAVEN-ST.ALBANS***

19 May, Springfield. **WHO, IF ANYONE, IS LINKING THE NEW ENGLAND VERMONTER PROJECTS?**

Dana Roscoe, principal planner and transportation manager for the Pioneer Valley Planning Commission here noted: ‘The federal government made an investment in Connecticut, Massachusetts, and Vermont [see articles below] rail infrastructure in round one of the ARRA [see 10#01B]. One could argue that these are three unrelated, independent projects.

‘If Connecticut did not receive additional funding in round 2 and round 3, nothing would link the three projects. Supporting this argument is the fact that the investments were made backward. Vermont and Massachusetts were awarded before the lions’ share of Connecticut was committed. However, we know that Connecticut was not ‘shovel ready’ when the first round was available and only applied for as much of the project as was eligible at the time.

‘In my mind, the additional investment in Connecticut ties the three projects together. Contractually, nothing links the three projects. Vermont is currently constructing, Massachusetts is finalizing agreements, and Connecticut is still securing funds.

**A NOTE ON PASSENGER RAIL COVERAGE**

Readers know that this newsletter in general covers passenger rail only when it affects freight. Toward that end, correspondent Ed Beem has written three articles about the route of the *Vermonter* [see Connecticut, Vermont, and Massachusetts]. These projects, when finished, will improve the track significantly, and one would hope, the freight services which use the track as well.

<table>
<thead>
<tr>
<th>“High-Speed” Rail Funding</th>
<th>New Haven-St.Albans</th>
</tr>
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<tbody>
<tr>
<td>Names in millions of dollars</td>
<td></td>
</tr>
<tr>
<td><strong>Connecticut</strong></td>
<td><strong>Federal</strong></td>
</tr>
<tr>
<td>ARRA</td>
<td>40</td>
</tr>
<tr>
<td>FY10</td>
<td>121</td>
</tr>
<tr>
<td>FY11</td>
<td>30</td>
</tr>
<tr>
<td>Total Connecticut</td>
<td>191</td>
</tr>
<tr>
<td><strong>Massachusetts</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>72.8</td>
</tr>
<tr>
<td><strong>Vermont</strong></td>
<td></td>
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<tr>
<td></td>
<td>52.7</td>
</tr>
<tr>
<td>NECR match + rail</td>
<td></td>
</tr>
<tr>
<td><strong>Total Vermont $69 million</strong></td>
<td></td>
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<tr>
<td><strong>... Three-state total</strong></td>
<td>316.5</td>
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</tbody>
</table>

**Massachusetts not needed**

‘In the feasibility study that HDR did for us and which served as the foundation for the Massachusetts application, we acknowledge that the *Vermonter* could continue to operate the single train a day on the ConnRiver alignment instead of the NECR which simply provides a time savings. The real opportunity for expanded intercity rail service can only be realized if the New Haven to Springfield project is constructed. The study goes on to cite the *Vision for the New England High-Speed and Intercity Rail Network* in connecting the projects:

This corridor is included within the *Vision for the New England High-Speed and Intercity Rail Network* released in 2009 and thus is linked and connected with other New England rail initiatives. Related potential improvements include:

- The proposed New Haven-Springfield commuter rail initiative;

- The Inland Route from Boston to New Haven by way of Springfield which emphasizes rail corridor improvements between Worcester and Springfield will be studied by MassDOT for feasibility in 2010;
- The Vermonter/New England Central Railroad Passenger Rail Improvement Project; and
- Station upgrades and linkages with the Union Station renovation and revitalization in Springfield, and the construction of the Greenfield Intermodal Transportation Center. {e-mail to ANR&P}^2

**MORRISTOWN& ERIE: NEW TRACK***

May, Roxbury, New Jersey. **THE RAILWAY IS OPERATING A COUNTY-OWNED LINE.** Morris County NJ officials marked the completion of the Chester Branch rehabilitation project by driving a ceremonial golden spike into a railroad tie here.

In April 2010, the county was awarded $5.8 million in American Recovery and Reinvestment Act funds to rehabilitate a four-mile, county-owned branch line in Roxbury Township. Jack Holland, who owns Holland Industries, donated the Chester Branch to the county in October 2009 after buying it from Conrail in 1983. Morristown & Erie Railway Inc. (M&E) has operated the branch line since 1983, continuing to do so after the county acquired it. The M&E also operates two other county-owned lines: the High Bridge Branch and Dover & Rockaway Railroad, MERR in Maine on the Rockland branch, and several other lines. M&E interchanges with NS at Lake Junction. **{Progressive Railroading daily bulletin 26.May.11}**

**THE PLIGHT OF THE SHORT LINE OPERATOR IN THE NORTHEAST**

Roy Blanchard writes: ‘Many short lines, particularly in the northeast, got started as subsidized entities, either through direct government purchases of rights of way or where Conrail or other predecessors simply needed to get off the property. The downside comes when the entrepreneur’s due diligence is not sufficiently diligent.

‘I personally know of branches that were lousy lines but somebody convinced the owner they could make a go of it. A friend who was involved with Class I line sales in the 1990s says that when things did not turn out, he would remind prospective buyers that they had received the equivalent of Miranda rights.

The friend continues: “The inherent conflict is that so many of the short lines are truly marginal from the perspective of the big railroad. The volumes just do not make any difference to the big railroad; one significant intermodal contract is many times more lucrative than trying to convert traffic to rail a carload at a time.” To make it worthwhile for the Class I there has to be volume, a lot of it, and often. A dozen hoppers of rock running 50 miles once a week won’t do it.

I continually come up against short lines that propose “boutique solutions” to transportation markets that simply don’t exist. The beauty of the truck is the ability to customize each element of the batch. Arrival and departure times are robust enough to minimize inventories and one-size only has to fit the one move, not all (like a train). Trucks simply do small, complex things involving special services better than trains. And it’s why the rails -- all of ‘em -- are moving more traffic at higher rates and lower cost: they go where the non-custom batch process works. **{Railroad Week in Review 13.May.11}**

**HALIFAX-PORTLAND-BOSTON***

19 May, South Portland. **HANJIN AND HAPAG LLOYD WILL USE THE FEEDER SERVICE,** announced American Feeder Lines [see 11#05A] principal Percy Pyne during a reception here to publicize the service and introduce the players. **{ANR&P coverage}**

According to Jack Humeniuk, International Longshoremen's Association representative and chief of operations for PortsAmerica at the Portland container terminal, AFL is talking to CGM CMA, ZIM, NYK, and K Line as well. **{ANR&P**

[^2]: [http://www.pvpc.org/resources/transport/PVPC%20Rail%20Study%20Compiled%20Final%20Repo](http://www.pvpc.org/resources/transport/PVPC%20Rail%20Study%20Compiled%20Final%20Repo)
CSXT: CUSTOMER EXPANDS

2 June, New Windsor, NY. EAST COAST RAILROAD SERVICES (ECRS) PLANS TO EXPAND HERE, off Windsor Highway, Route 32. The facility is currently holding railroad ties, plates, rail, both new and used (relay and landscape products), and on-road truck/tractor fleet and equipment of its affiliate Ray’s Transportation, Inc. (Ray’s).

History
The operation began with the trucking company, Ray’s, founded by Ray Stackhouse Senior. This operation, along with ECRS, is currently managed by his sons Ray Junior and Douglas, and daughters Debra and Diane. Ray *pere* began rail-related work by handling used crossties for landscaping in the 1960s and 1970s. Fourteen years ago, the company expanded into reselling railroad materials for re-use, explained Ray *fils*, eventually forming East Coast Railroad Services LLC (ECRS) at a rented site in New Windsor.

In 2008, Stevenson Lumber went bankrupt and liquidated [see 08#04A–HRRC facility closed as well], including its location here [a Google aerial photo shows a centerbeam lumber car in position]. ECRS was able to purchase the New Windsor location before it went on the market, and moved all operations there, completing the move in January 2011.

Current operations
Stackhouse said ECRS has several activities:

**Relay materials.** Since 1990, Ray’s has provided removal and disposal of materials lifted by LIRR, New Jersey Transit, Metro-North, Amtrak, and others. Re-usable materials are sold to wholesale railroad suppliers, short lines, and railroad contractors. Relay ties and plates are sold out of state, as far as Florida.

**New material distribution.** “We bring in ties and plates by rail,” Stackhouse said. “We repackage, palletize, and deliver to regional railroad supply depots, using Ray’s Transportation Inc.”

**Material preparation.** “ECRS does preplating,” Stackhouse said. [MCER does the same for Stella Jones—see 10#06A and 10#09A.] In addition, “we punch tie plates.” For example, original Pandrol plates were square-punched; these can be
repunched with one-inch diameter round holes for use with new round screw lags. A repunched tie plate can sell for four dollars, versus $14 for a new one.

Machinery rental. ECRS has two patents pending for its machinery to do pre-plating, used onsite, and also rented out. PNR Railworks based in Canada rented the machinery and plated 52,000 ties in a nine-week period. “Everyone wants to do a thousand ties in eight to ten hours, which our machines can do.”

Recycling. ECRS recycles the material which cannot be re-used: ties and tie plates. At this point, Stackhouse has three crews out: “We are crushing concrete ties removed from the North East Corridor. We get metal out, and resell it for aggregate.” They work on-site in Bear Delaware, Hampden Connecticut, and North Kingstown, Rhode Island.

Buildings
The site has six roofed areas with a total of 42,000SF:
- a two-story office with repair shop,
- two open post and beam storage buildings,
- one 10,000SF enclosed metal storage building
- one 10,000SF railroad tie unloading and sorting building, and
- one post and beam building which houses preplate machinery.

**Transload offering**

ECRS is focusing on its next venture, working with CSXT to attract customers for transloading. With the rail-served warehouse and trucking company, one acre of covered outdoor storage and four acres of uncovered outdoor storage, East Coast would like to expand into distribution services.

Stackhouse can offer a location near to New York City. “We are within 2 miles of both I-87 & I-84, and two miles of the Port of Newburgh.”

**Rail upgrade**

CSXT serves the facility via the Newburgh Industrial Track out of Newburgh on the CSX River Line. The current facility track has room for seven cars. “We now take in gondolas, although CSXT approved us for all types of railcars up to 286,000-pounds.”

ECRS will lease an acre of CSXT land, and add two side tracks parallel to the Newburgh Track for car storage, increasing the existing 800 feet of track by another 2500 feet.

CSXT engineer Fran Giacoma is working with ECRS/Ray’s to complete the engineering plans. ECRS already has planning board approval for this project. Stackhouse said he expects CSXT’s approval soon.

Then the two parties will sign a side track agreement, and lease. “We will do the track construction with our own labor force.” Stackhouse said. “We have constructed several sidings although that is not our main focus.” {ANR&P discussion 2.June.11}

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**CONNECTICUT**

**PW: WILLI UPGRADE**

27 May, Worcester. ‘*THE WILLI UPGRADE IS GOING WELL WITH THE #115 RAIL INSTALLED’*, wrote Frank Rogers, vice-president marketing. ‘We continue to replace ties and surface. The line is in service and we have handled both intermodal and automotive traffic in the past and intend to in the future.’

[A derailment on the Willi (the Willimantic line between Plainfield and Willimantic) in May 2010 led to PW planning to upgrade the line. See 10#10B.]

**Annual Report**

PW will spend $4 million on the Willi in 2011 to complete the work, using December 2010 bank financing, including the purchase of the new rail. {Annual Report page II-6, page I-3}

**Possible coal**

On whether export coal might move to ProvPort [see 11#04A], Rogers wrote: ‘No comment on the coal other than we continue to seek ways in which to grow existing business and enter new markets.’ {e-mail to ANR&P}

**PW: CN INTERMODAL**

3 June, Worcester. **COMMENTS ON POSSIBLE TRAFFIC VIA NECR** came from Marie Angelini, PW general counsel.

The 2010 Annual Report stated that ‘in late January 2011 Worcester was added to CN’s system map as an
intermodal terminal. [This was announced in November 2009—see 09#11B.] The number of intermodal containers declined from over 70,000 in 2000 to fewer than 11,000 in 2010, due primarily to the all-water routing that became the route of choice in 2007. The Company anticipates seeing growth in intermodal traffic as a result of this development since intermodal traffic destined for P&W has, to date, been handled solely via our interchange with CSXT in Worcester.’ {page 4}

A bit of traffic has run via NECR, and any CN traffic would use NECR, wrote Angelini. It would be ‘international, although we are integrated into CN’s “DRP program”, domestic repositioning–essentially space is sold in an international box to a domestic shipper. We handle finished steel product from a producer in Connecticut to a receiver in Canada.’

Steamship line traffic
‘We have handled both loads and empties for several steamship lines, not only Prince Rupert but Vancouver and Halifax. Sporadic to date but the route is being marketed by CN. {e-mail to ANR&P}

**PW: DERAILMENTS**

28 May, Windham. **THE THREE 2010 DERAILMENTS ON THE WILLI LED TO CIVIL FINES LEVIED BY THE FRA.** These occurred 11 March in Windham, 12 May [see 10#05B] in Lisbon, and 8 November in Willimantic (a part of Windham) [see 10#11A Regional]. The three accidents caused more than $500,000 damage to railroad equipment.

**FRA inspections, track situation**
The FRA sent inspectors to each site, who confirmed the cause as track conditions, according to FRA spokesperson Warren Flatau. While track problems are common, follow-up inspections and an audit of maintenance records identified “track safety and compliance issues,” along with civil penalties for Providence and Worcester in connection with the Windham derailments.

“The railroad has been upgrading and, pending completion of the work, we plan to do another focused inspection,” Flatau said. “It’s incumbent on the railroad to make repairs before they can upgrade back to class one or above.”

Windham First Selectman Neal Beets said the town incurred expenses of $147,000 responding to the two derailments. PW reimbursed the town $113,441 for the 11 May 11 derailment. The town recently sent a bill for $33,809 for the 8 November derailment.

Lisbon First Selectman Thomas Sparkman said the fire department’s volunteers handled the brunt of the response with the regional team, but had insignificant out-of-pocket expenses from the Lisbon derailment. He has no issues with the railroad running through town. “There will always be a chance for accidents, unfortunately. But by and large, this railroad company is pretty safety conscious and spends a lot of time and effort inspecting the tracks.” {Greg Smith in Norwich Bulletin 28.May.11}

**How much are the fines?**

<table>
<thead>
<tr>
<th>Railroad</th>
<th>Case number (year initiated)</th>
<th>Proposed fine</th>
<th>Settlement</th>
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<tbody>
<tr>
<td>Cases closed in 2009</td>
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<td></td>
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</tr>
<tr>
<td>MCER</td>
<td>2009-1(SA)</td>
<td>$5000</td>
<td>$2800</td>
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<tr>
<td>MMA</td>
<td>2008-2(AD)</td>
<td>$2000</td>
<td>0</td>
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<tr>
<td>MMA</td>
<td>2009-1(EQ)</td>
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<tr>
<td>MMA</td>
<td>2009-2(SA)</td>
<td>$2500</td>
<td>$1250</td>
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<tr>
<td>NECR</td>
<td>2007-1(AD)</td>
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<td>2007-3(TS)</td>
<td>$10,000</td>
<td>$6500</td>
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<td>PW</td>
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<td>NECR</td>
<td>2009-2(TS)</td>
<td>$8500</td>
<td>$6200</td>
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</table>

AD = alcohol and drug use
EQ = engineer qualifications
FCS = freight car safety
LI = locomotive safety
SA = safety appliance
TS = track safety
{Annual Reports 2009, 2010}
Warren Flatau, FRA spokesperson, explained that the agency has a procedure to develop and levy fines. It examines the situation, and proposes a fine. The railroad then has a chance to challenge the fine. Finally, the agency and the railroad negotiate a settlement. {FRA fact sheet}

‘Please keep in mind that civil penalties are an enforcement tool of last resort, not the preferred approach to exacting compliance. In addition, Congress explicitly requires that we (and nearly all federal regulators for that matter) enter into negotiated settlements. The civil penalty schedules are adjusted for inflation, and to ensure they are commensurate with seriousness.’

For this reason, the final amount of the fine is not yet determined. When it is, the FRA will list the amount in an annual ‘Cases Closed’ report. [See samples in box.]

Flatau said the 2006 case is ‘thankfully, the exception as some become quite complicated depending upon the railroad and nature and aggregation of violations.” {e-mail to ANR&P 31.May.11}

**NECR: SUPPORT**

31 May, Bozrah. **THE PROPOSED QUARRY IS LEGAL AND GOOD FOR BOZRAH**, wrote a citizen of the town, John P Sullivan, in a letter to the editor [see 11#04B]. {published this day in the Norwich Bulletin}

**Hearing postponed**

On 2 June, Harry Heller, attorney for Rawson Materials, operator of the proposed quarry, asked that the public hearing scheduled for that day be continued to July 7 to complete studies.

Consultants are conducting further studies of the environmental issues raised by a town engineer and a geologist and hydrogeologist hired by concerned residents, the Inland Wetlands Commission learned. The commission voted unanimously to grant the extension, continuing the hearing for a second time. {Judy Benson in New London Day 3.June.11}

**AMTRAK: WHAT CAN BE DONE?**

9 May, Hartford. **CONNDOT CAN DOUBLE-TRACK AS FAR AS HARTFORD** with the funding it received thus far [see 11#05A Regional]. Connecticut sought, in the round announced 9 May, $227 million in order to complete Phase III (Hartford to Springfield) of the high-speed rail project on the Amtrak line from New Haven through Hartford to Springfield (NHHS).

Phase I (Meriden to Newington) has been funded with $40 million in federal money and $20 million in state money. Phase II (New Haven to Hartford) has been funded with $121 million in federal funds and $141 million in state funds. Connecticut has pledged $97 million toward Phase III. The total estimated project costs $647 million. {NHHS website, www.nhhsrail.com}

$30 million is enough to get started

Though Connecticut only received $30 million of the $227 million it requested and only has $366 million of the estimated $647 million it needs to complete the high-speed rail service, ConnDOT supervising engineer John Bernick said, “We have the funds we need to start the service....We will have service in place by 2016.”

“The project has State Bond Authority to fund the full amount requested in FY11 which would have amounted to $97 million. The difference between this amount and what we are required to provide to match the $30 million grant is still available for future funding requests. So we are only short by the difference between our federal request, $227 million, and the amount awarded, $30 Million, which is $197 million.”

**Doubletrack to Hartford; less service**

Full funding would pay to restore double tracking from New Haven to Springfield. Lacking that, service will begin with the line north of Hartford single track. Connecticut plans to re-apply for the $197 million in 2012.

Frequency north of Hartford will drop from every half hour both north and south during rush hours on the entire
NHHS. Without full funding, ConnDOT can pay for service every half-hour between New Haven and Hartford during rush hours. North of Hartford, half-hour service will only be available southbound during the a.m. peak hours. Trains will run every 60 minutes the rest of the day.

Ties
Currently, planners are deciding whether to go with wooden or concrete ties. “Concrete may be cheaper now,” Bernick said. [This despite the presence of New England’s only wood tie plant in Durham - see 11#04A - and problems with concrete ties in Massachusetts - see 11#05A and New York.] {Bernick email to ANR&P’s Ed Beem 18.May.11; discussion with Beem 6.May.11}

Positive train control
Transportation designers are also finalizing a complete re-signalizing system for the NHHS Rail project. The new signal system will include Positive Train Control, “‘comprised of digital data link communications networks, continuous and accurate positioning systems such as NDGPS, on-board computers with digitized maps on locomotives and maintenance-of-way equipment, in-cab displays, throttle-brake interfaces on locomotives, wayside interface units at switches and wayside detectors, and control center computers and displays.’ {FRA website}

Facilities design RFP
ConnDOT has issued an RFP seeking a professional consulting firm to ‘provide engineering services associated with state-wide improvements related to commuter and inter-city high-speed rail service....This will include establishing upgraded rail service along a 62-mile rail corridor stretching from New Haven to Hartford and on to the Springfield area. The scope of this contract shall include final design services, and design services during construction for new and upgraded railroad stations associated with planned improvements along the corridor.’ Proposals are due May 27. {ConnDOT website}

Work on schedule
‘The NHHS rail project includes increasing train speeds to 110 mph, restoring a second track removed in the 1980s, implementing important rail operations and at-grade crossing safety improvements, and upgrading stations in both Connecticut and Massachusetts. These improvements can be implemented within five years. The Environmental Assessment will be completed before the end of this year, design work will be completed in 2013, and Amtrak is planning to install the new track in 2014. Connecticut already owns the equipment that will be used initially on the line and new service is expected to start by 2016.’ {Letter to DOT Secretary Ray LaHood from some New England federal elected officials at Connecticut Senator Blumenthal website 14.April.11.}

New London wants in
Noting the hundreds of millions being invested in the NHHS Rail project, New London Mayor Martin Olsen is seeking support for upgrading the 110-mile Central Corridor Rail Line between New London and Brattleboro. “The eastern part of the state would be left out if it does not move for a similar project.” {Jeffrey Johnson in The Day 21.April.11}

MAINE

MMA: MDOT MEETING*
25 May, Augusta. MMA OFFICIALS WILL MEET WITH THE COMMISSIONER ON ‘A LONG LIST OF ITEMS’, wrote MMA board chair Ed Burkhardt, “with a major focus on clean-up items from the line sale. [See 11#05A.]
The Irving lease

‘Additionally, we are getting concerned about lack of agreement between MDOT and the Irvings, and apparent unreadiness of the Irvings to assume operations on the date agreed some months back between MMA and MDOT [see other article]. And of course we will discuss the lack of business on some of MMA's peripheral lines and what can be done about it.

Searsport question

Burkhardt continued: ‘I found comments from David Gelinas in the most recent edition of your newsletter to be totally misinformed. MMA intends to protect all pricing to/from the lines to be sold, and has made proposals that would accomplish this to the Irvings, without response to date.

‘There is very little traffic at Searsport that moves to or from New Brunswick or Aroostook County [But Imerys does rail its kaolin, which lands at Searsport, to Irving Pulp and Paper in Saint John—see 11#04A Maine]. Why would New Brunswick, with a perfectly good port of its own, want to shift merchandise traffic to Searsport? Most of today's Searsport business comes through our western gateways, and that business is actually quite strong at present. LMS is also doing well, and business handled there is also primarily routed via MMA's western gateways. I daresay that Mr. Gelinas is getting his information from some highly suspect sources!’ {e-mail to ANR&P}

MMA ready to extend

Contrary to NBSR’s submission to the STB [see below], MMA is prepared to extend its service past 14 June. A filing to the Board on 23 May stated this. {STB website, filings page, FD 35505}

The meeting occurred in late May

On 7 June, Rob Elder, freight chief for MDOT, said MMA and MDOT Commissioner Bernhardt met at the end of May. They discussed a long list of details related to the handover. {ANR&P discussion}

NBSR-MNRY: COMMENTS*

30 May, Saint John. NBSR GENERAL MANAGER IAN SIMPSON ADDED SOME DETAIL ON THE MNRY OPERATION scheduled to begin in June [see 11#05A], during a recent interview;

Track and service

A big part of the reason shippers stopped using rail in northern Maine “is just the unreliability and inconsistency of the service. So that is going to be a challenge for us to earn that respect back. But we’re very confident we will....

“Today a lot of the freight is moving from 10 to 25 miles per hour, so on the main line between Madawaska and Millinocket … we’re going to put our energy and resources into getting the track speeds up to 30 miles per hour on that stretch. And the branch lines, for example the Houlton branch and the Presque Isle branches, those subdivisions we’ll eventually want to get up to 25 miles per hour.”

Three possible interchanges

“In the case of the Aroostook line, there’s an interchange potential in St. Leonard with CN; Millinocket with MM&A; and in Brownville Junction, with [NBSR] who could hand off to Pan Am [in Mattawamkeag]. So the customer could get rates from all three of those railroads and they would instruct us what rail line they want to use, so we would bring it to that line. We compete, but we’re also very much partners with one another.”

Operations

“We expect the base operations to be 30 people....There’s a lot of very good men and women who currently work for the MM&A and have expressed a lot of interest to come work with us. We’re very confident that we’re going to be able to
hire a very good-quality, skilled work force up there. That’s our absolute priority, to hire the existing men and women that work on the line today, because they’ve been very committed to the railroad, they know the railroad, they know the customers up there.

“We will see two core areas where most of the employees will be based on the new railway. One in the Oakfield area, and there will also be a base of operations in Squapan.” {Rebecca Goldfine in Mainebiz 30.May.11}

PAN AM: IDLING IN MAINE*

1 June, Augusta. **IDLING TRAINS ARE A PROBLEM THROUGHOUT THE STATE**, said State Representative Mark Dion, D-Portland, including in his North Deering neighborhood. He said it was the No. 1 issue when he was campaigning door-to-door. When he introduced a bill on the issue this year, he got calls from Rockland, Rumford, and Vassalboro, showing him that the problem was not confined to the Portland area, nor to Pan Am alone.

Maine legislative bill opposed
Dion introduced LD 96 this year as a concept draft, asking all railroads to reduce emissions by installing auxiliary power units [APUs]. On 7 February the Joint Transportation Committee voted it ‘ought-not-to-pass’ unanimously.

Dion discovered he was the fourth representative to challenge the committee to exercise some authority. “We were all beaten back by the pre-emption theory.” Indeed, he said MDOT did its own study which concluded the department was without authority.

However, he found Pan Am representatives cooperative. The railroad has agreed to annually report to the Transportation Committee its progress in installing the auxiliary power units.

“They were willing to concede that [employing APUs] is a good strategy. They were concerned that the Committees did not appreciate the capital outlay necessary.”

Why not buy more APUs?
Pan Am Executive Vice-president Cynthia Scarano said now that temperatures have consistently topped 30 degrees Fahrenheit, trains will not idle as much; the engine must operate during the colder months to prevent freezing.

Pan Am, said Scarano, continues to install custom-made auxiliary power units [see 10#10B], which keep the engines warm in cold temperatures without idling the prime mover. Pan Am’s Maine lobbyist, Peter Danton, said the units have been installed on 22 of the company's 70 locomotives as of last week. Another eight are scheduled to be installed this year. The remaining units, which cost about $30,000 each and are being financed solely by the company, will be installed depending on "business and the bottom line."

[Since Pan Am is expending $30,000 to build its own, why not just buy off the shelf units which also cost $30,000? And buy them all at once, since the purchase price is recouped within a year from saved diesel costs. Editor]

APUs do not help
Pan Am officials say the units work well. Dion said that position is debatable. The locomotives themselves are so old, “they’re afraid if they turn them off, they won’t be able to turn them back on.”

In any case, the units will not completely eliminate noise and odor; it will only reduce it, he said. “They’re probably not going to satisfy anyone who is an abutter.” Dion said.

Scarano said the company has a policy that requires engineers to turn off their engines if they think they will be stationary for more than two hours.

Next step
Dion called his effort “a first wade in the pool.” He is looking into the issue on a federal level. The issue comes up continually. “There are community meetings, and then mediation, and then the problem goes away for awhile. But it comes back.” {ANR&P discussion 1.June.11; Randy Billings in The Forecaster 19.May.11}
Need for locomotive work
Tom Hall, chair of the Committee to Improve Rail Service in Maine, has been told by Springfield Terminal employees at the Waterville Shops that spare parts, lubricating oil and other maintenance items are in extremely short supply. According to Hall, employees are focused primarily on scrapping old locomotives instead of repairing and maintaining those in service. Moreover, Hall was told that the APUs are being fabricated by a firm in New Hampshire, and not by shop forces in Waterville. {e-mail to ANR&P 1 June 11}

MDOT-NBSR-MMA-MNRY
3 June, DC. THE STB GREEN-LIGHTED THE MNRY TRANSACTION as far as Board permission, in three ‘expedited action’ decisions this day

NBSR may acquire two railroads
Since MNRY [Maine Northern Railway Company] will operate as a subsidiary of NBSR, just as EMRY does, NBSR needed an exemption from Board approval to start MNRY operating on 14 June, the day MMA will cease operating on the 233 miles it sold to the state [see 11#05A]. The Board granted this exemption in a decision this day. {STB website, decisions page Docket No. FD 35520}

Trackage rights exemptions published
The Board also published the exemption from approval for MMA’s granting of trackage rights to MNRY, and MNRY’s granting of trackage rights to MMA [see 11#05A].
‘The exemptions in Docket Nos. FD 35518, FD 35519, and FD 35520 will be effective on June 15, 2011. Petitions for stay must be filed by June 10, 2011, and petitions for reconsideration in Docket No. FD 35520 must be filed by June 10, 2011.’ {STB website, decisions, page, Docket Nos. FD 35518, FD 35519}

The MDOT-NBSR agreement is signed
On 7 June, Rob Elder, freight chief for MDOT, said the parties expected the handover to occur on or before 14 June. {ANR&P discussion}

AMTRAK: MONEY FOR MAINE*
26 May, DC. MAINE SENATORS ANNOUNCED THE OBLIGATION OF ADDITIONAL FUNDING. NNEPRA will use this additional funding for new railroad ties, rehabilitation of three bridges, the construction of overnight holding tracks for trains in Brunswick, and the construction of a new passing siding along the line.
NNEPRA Executive Director Patricia wrote: ‘It’s not new money. This is from the ARRA Grants Wisconsin and Ohio turned back and which was reallocated to states last December. NNEPRA received $3.38 million added to the $35 million Brunswick grant [see Bernhardt comment in 11#05A].
‘We’re still finalizing the expanded workplan. There’s no bridge work, thought, just bridge decking. Still working on the other elements.’ {e-mail to ANR&P}

PORTLAND-BANGOR: NO IRVING*
26 May, Augusta. IRVING WILL NOT SOLELY ACQUIRE TERMINALS IN PORTLAND AND BANGOR, under a settlement the Maine Attorney General’s office announced today. Assistant Attorney General Christina M. Moylan handled this matter for Attorney General Schneider’s Consumer Protection Division.
Under a deal made public in November 2009 [see 09#11A], Irving would have acquired ExxonMobil’s petroleum products terminals in South Portland and Bangor, as well as the pipeline connecting the two terminals. The state feared this would substantially reduce competition and constitute a violation of Maine’s merger laws.
Buckeye instead
Under the agreement, the South Portland terminal will be acquired by a joint venture between Irving and Buckeye Partners, L.P. and its affiliate Buckeye Pipe Line Holdings, L.P. Buckeye, a publicly traded partnership that owns and operates one of the largest independent refined petroleum products pipeline systems in the United States, will be the sole operator of the South Portland terminal and will also acquire the ExxonMobil Bangor terminal and the intrastate pipeline connecting the two terminals.

Federal Trade Commission does same
In reviewing the acquisition, the Attorney General’s office worked closely with the Federal Trade Commission (“FTC”), which has also announced and accepted for public comment an Agreement Containing Consent Order, reflecting similar restrictions and conditions as the Maine Consent Judgment.

More information and the FTC’s Agreement Containing Consent Order, Decision and Order and Analysis to Aid Public Comment can be viewed at: 3 {Maine attorney general press release}

MASSACHUSETTS

CSXT: INTERMODAL CHANGES**
26 May. **CSXT WILL OPEN ITS NORTHWEST OHIO GATE ON 1 JUNE.** From Boston, the gate cut-off is daily 2100, with the box available in Ohio at 0600 on the third day. To Boston, gate cut-off is 1800 Monday through Friday, with the box available at 0400 on the third day. {CSXT Fast Facts}

Groundbreaking on Worcester terminal
This occurred on 6 June. Early prognoses [see 10#09B] put completion at autumn 2012. Contractor is Ragnar Benson [see 10#10A].

MC: TRANSLOAD CUSTOMER?
25 May, New Bedford. **THE RE-OPENING OF A BAKERY** may provide MC with a second flour transload.

In mid-May, the city's Tax Increment Financing Board approved a TIF agreement with New Bedford Baking Company. The owners of that corporation also are majority owners of Diana's Bakery, which is described in paperwork on file with the city as a family-owned business that was started in 1975 and now has a 55,000-square-foot facility in Agawam. It provides baked goods to the Starbucks chain, Stop & Shop Supermarkets, Friendly's, Foxwoods Resort and Casino, Sodexho Inc., Aramark Corp. and Compass Group, among others.

Matthew Morrissey, executive director of the New Bedford Economic Development Council, emphasized that the proposal "is by no means a done deal."

According to a knowledgeable rail official, a former occupant received flour in the New Bedford Yard which was then trucked to the bakery. [Gold Medal is now transloading flour from the Fall River yard–see 10#11B].

MC’s Dan Wahle wrote, ‘We will be working hard to provide them valuable transload services to help them succeed should this plant come to fruition.’ {e-mails to ANR&P 26.May.11}

ST-AMTRAK: NEEDLESS PANIC?*

2?? May, Haverhill. **LOCAL OFFICIALS BELIEVE THE MBTA IS RISKING COLLAPSE OF THE BRIDGE HERE OVER THE MERRIMACK.** It provides the sole rail connection between Maine and Massachusetts. Ten *Downeaster* trains and four to twelve Pan Am freights daily cross it moving to and from Maine, as well as 26 MBTA commuter trains between Haverhill and North Station.

**No concerns about safety**

Richard Davey, T general manager for the MBTA, said earlier the bridge is “absolutely safe for train service….I can tell you unequivocally that we would not be running train service over that bridge if there were any questions about its safety.”

Davey said the bridge was inspected in March. HDR Engineering of Boston is planning for its eventual replacement and has reviewed the span at least monthly for some time. A 16 June 2009 summary of HDR's inspection assessed the bridge safe for freight trains as long as only one crosses at a time and it travels no faster than five miles per hour. Two commuter trains may cross the double-tracked span at the same time, if they do not exceed 15 miles per hour.

The speed restrictions followed the 2007 Minneapolis bridge collapse. The MBTA owns more than 300 bridges, but only the Haverhill bridge is the only one that has the same ‘deck and through truss’ design as the Minneapolis highway span that collapsed in 2007, state transportation officials have said.

**Bridge improvements**

Joe Pesaturo, T spokesperson, said the current speed restrictions and other conditions were put on the bridge following a 2008 inspection by HDR. That same year, the T rebuilt its deck, replacing about 1,600 bridge timbers, installing walkways and railings across the full length, and laying about 8,000 feet of rail.

**Fears of collapse**

Haverhill Councilor William Macek said it's a matter of time before “vibrations or something else” cause the bridge to fall apart. “Its condition is obvious by the fact they only let trains go five miles per hour on it,” Councilor William Ryan said. “It's basically been condemned. ... God forbid that bridge goes down with a commuter train on it.”

The councilors commented after USDOT did not fund Massachusetts' request for $110 million to replace the 92-year-old railroad bridge [see other article]. The councilors agreed to invite US Representative Niki Tsongas, D-Lowell, to Haverhill to view the bridge. Ryan said: “We need to scream and yell about this. Now's the time. Let's get Niki Tsongas down there and see what she can do. She may not even be aware of the seriousness of the situation. We have the potential for a disaster here. We have 100-car freight trains going over that bridge every day.”

John Noble, Tsongas' communications director, said she will ‘absolutely take up the council's invitation to visit the bridge with MBTA officials.’

Lawrence Mayor James Fiorentini said he was assured by state transportation officials that the bridge is safe. But he also said he was told it has to be replaced or "extensively repaired" over the next few years.

Davey said the bridge is on a list with 25 to 30 critical projects that do not yet have funding sources. He said the authority will continue to make interim repairs until money is found to replace the span. {Shawn Regan in Lawrence Eagle Tribune 22 May.11}

**NNEPRA position**

Patricia Quinn, NNEPRA executive director, wrote on 26 May: ‘I’m not an engineer, so I’m not in a position to speak about the condition of the bridge or what a time frame for critical repairs might be. I can say that I am confident, as Mr. Davey stated, that the MBTA would not permit trains to operate over the bridge, nor would Amtrak or Pan Am even consider operating over the bridge if they did not feel it was safe to do so.’ {e-mail to ANR&P}
PAS: CONNRIVER UPGRADE*

11 May, Springfield. **WORK ON THE CONNRIVER LINE MAY BEGIN LATER THIS SPRING**, according to Dana Roscoe, principal planner and transportation manager for the Pioneer Valley Planning Commission here. Massachusetts was awarded $72.8 million in federal funds to move *Vermont* service onto the Connecticut River line [see *Regional*]. The Commonwealth has also appropriated $2.25 million of its own money to construct a bike/pedestrian tunnel under the line to connect two existing bicycle paths in Northampton.

According to Roscoe, Amtrak, PAS, MassDOT and the FRA are discussing how to spend the $72.8 million in federal funds. “My understanding is that an agreement is close and, once it is signed, work can start this spring.”

{Discussion with ANR&P’s Ed Beem 11.May.11}

Holyoke wants in

Holyoke Mayor Elaine Puta wants that city’s abandoned H.H. Richardson train station to become a stop on the new high-speed passenger line. A design consultant has estimated the cost of restoring the old train station at $3 million. {Mike Plaisance in *The Republican* 1.May.11}

“Holyoke is looking for funds to make the necessary improvements,” said Roscoe, “but the only stations that are part of the $72 million are Northampton and Greenfield.”

PW v NATL GRID: PRE-EMPTION?*

26 May, DC. **THE STB WILL EXAMINE AGAIN THE EXTENT OF FEDERAL PRE-EMPTION**, according to its decision this day to open ‘a proceeding to determine whether a Massachusetts law prevents P&W from removing National Grid’s power line from its right-of-way without the consent of the Massachusetts Department of Public Utilities, or whether federal law permits the transmission line to be removed without such consent. [See 10#07B for PW’s initial filing, and 11#03B or National Grid’s insistence that the parties were close to resolution.]’

This decision also directs the parties to attend a meeting with Board staff to seek to resolve this controversy....

The extent of pre-emption

‘The purpose of the federal preemption is to prevent a patchwork of state and local law and regulation from unreasonably interfering with interstate commerce. Thus, when the Board has jurisdiction under 49 U.S.C. § 10501(a), two broad categories of state regulation are generally categorically preempted under 49 U.S.C. § 10501(b): (1) permitting or preclearance requirements (including environmental, zoning and other land use requirements) that by their nature could be used to deny a railroad the right to conduct rail operations or proceed with transportation activities the Board has authorized; and

‘(2) attempts to address rail transportation matters that are regulated by the Board. Other state requirements may also be preempted if, as applied, they would unreasonably burden or interfere with transportation by the rail carrier. See *Borough of Riverdale*—Petition for Declaratory Order, FD 35299, slip op. at 2 (STB served Aug. 5, 2010).

‘In addition, a state law or requirement may be preempted where it directly targets or discriminates against rail transportation. Preemption under § 10501(b) is broad. But it is not unlimited ...’

Confidential meeting with STB staff

‘The Board believes that a meeting between P&W and National Grid, facilitated by Board staff, could be beneficial. This case presents important issues concerning the scope of federal preemption under § 10501(b). In these circumstances, the Board believes it is in everyone’s best interest to explore any and all options that may help to resolve this dispute. Therefore, the parties will be contacted by Board staff to establish an acceptable meeting date within the next 2 weeks. The meeting will be treated as confidential and Board staff who participate in this meeting will not participate in any decision-making process or discuss the case with anyone who is participating in that process.

‘We will not order discovery at this time. However, in order to permit the fullest possible discussion of the issues
at the meeting and to facilitate the sharing of information, we are, by separate decision, issuing an appropriate protective order.’ {STB website, decisions page, Docket No. FD 35393}

PAS: IDLING*
25 May, Turners Falls. THE MONTAGUE BOARD OF HEALTH, AND THE SELECTMEN, HELD A HEARING to hear complaints about idling locomotives in Turners Falls and Lake Pleasant. In April, residents presented a petition to selectmen asking for a public hearing to address it. Besides inviting the public, town officials also invited representatives from Pan Am and Norfolk Southern Railroads to attend the hearing, as well local legislators.

In the early 1980s, said Abbondanzio, the town saw a reduction in diesel complaints, after townspeople met with then-Guilford Transportation officials to discuss the problem. He said the problem has gotten worse again over the past two years.

Pre-emption?
Abbondanzio believes the idling of diesel engines violates the state's Clean Air Act, but in an October 2010 letter to the town's Board of Health, Pan Am lawyer Robert B. Burns said the railroad is within its rights. ‘It is a well-settled law that the operations of railroads fall under the exclusive jurisdiction of the Interstate Commerce Commission Termination Act of 1955 and the Federal Railway Safety Act, both of which preempt all [this is incorrect–see PW article in Connecticut] local and/or state laws/regulations seeking to govern railroad operations.’ {Diane Broncaccio in Hampshire Gazette 25.May.11}

But how does the EPA enforcement action work?
In 2010, the EPA, MBTA, and MBCR settled a federal enforcement action for excessive train engine idling. The two railroads will spend over $1 million on anti-idling equipment at all end-of-line stations and maintenance facilities, and will spend another $1 million on ultra-clean diesel fuel for all trains in the commuter rail system for two years. This will reduce diesel locomotive emissions throughout the MBTA’s commuter rail system, the Justice Department and Environmental Protection Agency (EPA) announced on 4 August 2010.

The Justice Department on behalf of EPA brought the action in response to MBTA’s and MBCR’s excessive locomotive idling at the Widett Circle layover facility in South Boston and the Greenbush line station in Scituate. Neighboring residents complained of excessive train idling at both locations. The Massachusetts locomotive idling regulation, a federally-enforceable state regulation, prohibits all unnecessary diesel locomotive idling for more than 30 minutes. According to a 2008 notice of violation issued by EPA, MBTA and MBCR committed 33 violations of this regulation at Widett Circle and Greenbush in three months. At Widett, the average idling time during the violations was just under four hours (234 minutes).{EPA news release 4.Aug.10}

Vote in mid-June
The Board of Health and the Board of Selectmen Heard from people about Pan Am’s idling during a joint hearing this evening. Frank Abbondanzio, Montague town manager, said on 1 June that the boards will vote within two weeks on asking the EPA to enforce the Commonwealth anti-idling regulation which was enforced against the MBTA [see e-bulletin(w)]. {ANR&P discussion 1.June.11}

ST: NEW ENGLAND TRANSRAIL*
24 May, DC. THE STB DECIDED TO CONTINUE TO POSTPONE ACTION on the application of New England Transrail [NET] to become a tiny railroad [see 07#07A] in Wilmington, Massachusetts, until the EPA has completed its remedial investigation and feasibility study.

- As requested by the Board, NET filed a status report in 2010 [10#08A].
- EPA requested the postponement in response to the status report, stating that ‘there are still data gaps that must be filled by the Olin Corporation, and that additional work must be completed before the EPA can issue remedial investigation and feasibility study reports. Accordingly, the EPA requests that the Board continue to defer its environmental analysis, as the Board indicated it would do in its July 10, 2007 decision, until relevant EPA reports have been issued and finalized.’

- In response to the status report, the Town of Wilmington requested that the Board dismiss the action and require NET to refile. The Board said, however: ‘The relief sought by the Town—dismissal— is not an appropriate request in a comment on a status report. The Town may seek relief in an appropriate filing if it so desires.’

NET was directed to file another status report by 23 August 2011. {STB website, decisions page, Docket No. FD 34797}

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**NEW HAMPSHIRE**

**MBRX v ST: ANOTHER DELAY***

31 May, Concord. **JUDGE BARBADARO THREW A WRENCH INTO THE TRIAL PROCEEDINGS** during a telephone conference with both sides. He announced a hold on the jury selection next week [see 11#05A] and the trial the following week, because, according to plaintiff Peter Leishman, ‘He wants more time to determine if the matter should go to the STB as PAR argued several months ago.’ {e-mail to ANR&P}

**Mini-editorial**
The judge has overseen the case since July 2010, ordering this or that effort, yet failed to look adequately at defendant Springfield Terminal’s argument that the issue belongs at the STB, until the last few days. This looks like “loose cannon” judiciary behaviour, rather than logical straight-ahead process to a decision. If the case now goes to the STB, the judge would have managed to waste the time and money of the parties and their attorneys for ten months.

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**VERMONT**

**NECR: FEDERAL DOLLARS***

19 May, Montpelier. **THE STATE HAS RECEIVED $52.7 MILLION FOR THE VERMONTER LINE**, according to Joe Flynn, VAOT rail program manager. This is matched by $16.3 in cash contributions from New England Central Railroad and the value of the salvaged rail.

NECR is laying 191 miles of continuously welded rail from St. Albans to the Massachusetts border, where it will meet the Massachusetts project [see Massachusetts]. Offloading of rail has now reached south of Montpelier; welding of rail is approaching Waterbury. The project will be completed by the fall of 2012. {discussion with ANR&P’s Ed Beem}

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**QUEBEC/MARITIMES**

**SYDNEY & CANSO: HARBOR DUES***

19 May. **THE PORT OF SYDNEY AND STRAIT OF CANSO SUPERPORT HAVE SIGNED A MEMORANDUM OF UNDERSTANDING TO SECURE EXPERT OPINION** on the practicality of the ports collecting harbour dues from vessels using the harbours.
Ports’ status
Both Sydney and the Strait were categorized as regional ports after they were divested from the national ports system by Transport Canada over a decade ago. Under divestiture Transport Canada transferred all federal property and structures at the two ports to community interests but did not include the actual seabeds in the harbours on which basis Transport Canada continues to collect harbour dues.

The dues collected by Transport Canada amount to $1.2 million annually in the Strait, and in Sydney $500,000 going directly to federal government general revenues; none is reinvested in the ports. These regional ports must raise their own funds through services such berthage, wharfage, storage and other means. {Sydney/Strait release 19.May.11}

National issue
Strait Superport CEO Tim Gilfoy said, “The reason we decided to join together is it is a common issue for both of us. We are also going to reach out to other ports across Canada that are experiencing the same issue and are in the same situation. We are attempting to bring a little more visibility to the plight of a lot of these divested ports who play an important role in the economic fabric of Canada yet we don’t enjoy the same revenue stream as other ports do.

‘We feel it is something that should be corrected. Right now we are looking at what options would be best for us and at present the only mechanism available to collect harbor dues is the CPA (Canada Port Authority) structure.”

Gilfoy said both Sydney and Strait Superport have new port master plans that deal with new management structures, infrastructure development, marketing, etc. and they need sustainable revenue streams to properly implement these plans and their initiatives.

Halifax, Saint John, Belledune, and St. John’s are the only CPA ports in Atlantic Canada and as such can collect and retain harbor dues. {Tim Gilfoy in discussions with ANR&P’s Tom Peters 26.May.11}

Sydney comments
Jim Wooder, chair of the Sydney Marine Group, said Sydney has options for growth in several areas such as cruise, bulk, breakbulk, offshore fabrication and containers and with the upcoming dredging of entrance channel to Sydney Harbor, these options have greater potential.

But he said the port needs human and financial resources. It needs structural change in its management model with the Sydney Ports Corporation taking on a much greater role to speak for the entire port. The corporation’s present responsibility is the Sydney Marine Terminal which includes the cruise terminal and the cruise pavilion. The corporation’s gross revenues are about $1.2 million which it collects from cruise passenger tax, wharfage, berthage and cruise pavilion rent.

Wooder said the corporation needs to get involved in marketing, infrastructure development, investment attractions, etc. and to do these things needs a more sustainable revenue stream. “Harbor dues is the first step in this.” Transport Canada is aware of the problem and discussions are underway on what appears to be “a policy gap issue.” {Wooder in Sydney Ports Day panel discussions 26.May.11}

Maher Melford not in MOU
Gilfoy said Maher Melford, who are planning to build a major container terminal in the Strait of Canso [see 11#02B], were not considered for inclusion in the MOU with Sydney because they are not a port corporation. They are a private enterprise like any other company around the port.

Richie Mann, Maher Melford vice-president, said his company is on record as supporting the retention of monies collected for local reinvestment or local use. He said the company is opposed to the creation of a Canada Port Authority in the Strait of Canso.

“As we have traveled around and talked to carriers and cargo owners and others involved in the marine industry, the two things that basically get their attention (at the Strait) are: There is no legacy labor agreement that is going to dictate levels
of automation or practices; and the other is the fact that there is no port authority and the autonomy to be more flexible, to deal with equity issues, so we certainly don’t want to see a port authority. We would like to see a corporation or authority at the Strait come up with a few justification schedules and show what money is required to run an authority or corporation. I don’t think industry would object to paying that,” he said. {Discussions with Tom Peters 26.May.11}

**RAIL SHIPPERS**

Diana’s Bakery (MC, Massachusetts) Possible transload.
East Coast Rail Services (CSXT, New York) New.
N.E. Transrail (ST, Massachusetts) Another report.
Rawson (NECR, Connecticut) New quarry supported.

Described in this issue.

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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 without an asterisk).

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