operating railroads + ports, intermodal facilities, and government environment

**Article unchanged from e-bulletin.**

**Blue type in article: changes from e-bulletin.**

Blue in table and header: new article.

### REGIONAL ISSUES

**NEW YORK**

PW: Gabelli buys more stock.

Provpport-PW-ST: Limestone move to Bow.*

PAS: Wants to add more vehicle spots to auto terminal in Ayer.*

ST: Hiring engineers to be stationed at Ayer.*

**MAINE**

NYOG: Ogdensburg Bridge and Port wants to end contract.* Complete chronology.*

NYOG: Parties talk. OBPA unhappy with Knowlton.

**CONNECTICUT**

PW v HRRC: PW withdraws filing at STB since it can serve Tilcon via Metro-North.*

**VERMONT**

NYOG: Parties talk. OBPA unhappy with Knowlton.

**Rhode Island**

[See Regional limestone move.]

### RAIL SHIPPERS/RECEIVERS

PAS: Agreement to upgrade ConnRiver.

PAS: Wants to add more vehicle spots to auto terminal in Ayer.*

**NEW HAMPSHIRE**

MBRX v ST: State contract law not pre-empted.*

MBRX v ST: Judge pushes a mediated solution.*

**VERMONT**

Vermont salt: Contracts renewed with 2% increase.*

**MARITIMES/QUEBEC**

CN: Tested longer trains into Maritimes.*

Canso: Melford proponents update project.

Montreal hub: Montreal drawing western Mediterranean traffic via hub ports there.*

Belledune: Seeking operator for cargo ferry link to Argentia.*

### PEOPLE, POSITIONS, EVENTS

A cross-reference to companies mentioned here.

On the road, again

To my delight, I have found I can publish the

FROM THE PUBLISHER

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**Common abbreviations:**

- BCLR - Bay Colony RR
- BML - Belfast & Moosehead Lake RR
- CBNS - Cape Breton and Central Nova Scotia Ry
- CCOR - Cape Cod Central RR
- CCR - Claremont Concord RR
- CMAQ - congestion-mitigation or air quality (money from the US federal government for these purposes)
- CN - Canadian National Ry
- CNZR - Central New England RR
- CONNDOT - Connecticut Department of Transportation
- CP - Canadian Pacific Ry
- CSO - Connecticut Southern RR
- CSRX - Conway Scenic RR
- CSXT - CSX Transportation (railroad)
- EMRY - see NBSR
- FHWA - Federal Highway Admin.
- FRA - Federal Rail Admin.
- FRTC - Fore River Transportation Co.
- FTA - Federal Transit Admin.
- GU - Grafton & Upton RR
- GWI - Genesee & Wyoming Inc
- HRRC - Hoosatonic RR
- MSADOT - Massachusetts Department of Transportation
- MBRR - Milford-Bennington RR
- MBTA - Mass. Bay Transportation Authority
- MA - Massachusetts
- CER - Mass. Coastal RR
- MDOT - Maine Department of Transportation
- MERR - Maine Eastern RR
- MMA - Montréal
- MINY - see NBSR
- MPO - Metropolitan Planning Organization
- MTO - Québec Ministry of Transport
- NAUG - Naugatuck RR
- NBDOB - New Brunswick Department of Transportation
- NSB - New Brunswick Southey Ry
- NSBC - New Brunswick Central RR
- NHDOT - NH Department of Transportation
- NHPA - New Hampshire Passenger Rail Authority
- NS - Norfolk Southern Ry
- NSDOT - Nova Scotia Department of Transportation
- PAR - Pan Am Railways
- PCRR - Pan Am Southey RR
- PB - Providence & Worcester RR
- QCRR - Quebec Central Ry
- RIDOT - Rhode Island Department of Transportation
- STB - Springfield Terminal Ry
- VAO - Vermont Agency of Transportation
- VRS - Vermont Rail System (Green Mt. RR Company)
+ Vermont Ry
+ WACR - Washington County RR
+ Vermont VTR
+ MPO - Metropolitan Planning Organization
+ NST - New England Railroad
+ SJRR - St. Lawrence & Atlantic Ry
+ SLR - St. Lawrence & Atlantic Ry
+ SRR - Suburban RR
+ TIRR - Turner’s Island LLC
+ TEU - Twenty-foot equivalent unit (measure of container traffic, equal to a 20x8x8 foot box)
+ VAO - Vermont Agency of Transportation
+ VRS - Vermont Rail System
+ Green Mt. RR Company
+ Vermont RR
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+ M  - Maine
+ MRR - Montréal, Maine and Atlantic Ry
+ MNSR - Montréal, Maine and Atlantic Ry
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+ RIDOT - Rhode Island Department of Transportation
+ STB - Springfield Terminal Ry
+ VAO - Vermont Agency of Transportation
+ VRS - Vermont Rail System (Green Mt. RR Company)
+ Vermont Ry
+ WACR - Washington County RR
newsletter while in New Hampshire. Next stop: Long Island.

- Chop Hardenbergh Next formal issue 26 July

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**REGIONAL**

**PW: GABELLI OWNS MORE**

5 July, DC. *MARIO GABELLI HAS RAISED HIS STAKE IN PW*, according to an SEC Form 13D filed at the Securities and Exchange Commission this day. In 2009, funds managed by Gabelli bought 6.29% of the common stock [see 09#10A]. The July 2011 filing shows ownership of 8.36% [an increase of about 2%, which, on a per share price of $14.45 on 6 July, translates into $5.83 million].

Other significant owners
The Proxy Statement for the Annual Meeting in April 2011 listed Steinberg Asset Management at 11.1% of the common stock, Keeley Asset Management 7.1%, and Linda and Robert Eder (chair) at 17.5% of the common stock. The Eders also own 78.1% of the preferred, and voting control of the corporation. {SEC website}

**PROVPORT-PW-ST: LIMESTONE***

1 July, Bow. *THE FIRST CARS OF LIMESTONE ARRIVED FOR THE NEW SCRUBBER*. An ST crew on the five PW locomotives moved the 60+ aluminum gondolas symbolled PWBO from Worcester around 0100AM, passed through Ayer approximately 0400AM, Nashua 0600AM, and arrived at the power station at 0815AM. {Martin Butler in New PW e-mail group}

PW moved the cars from Provport, which received the limestone originating in Atlantic Canada. [see 11#04A].

Storage
Public Service of New Hampshire (PSNH) has ‘arranged for the delivered limestone to be stored in Merrimack Station’s new Limestone Storage Silo. Construction on the Clean Air Project continues and is proceeding well. We have not yet formalized plans for testing the scrubber, but plan to do so before it goes live in early 2012.’ {e-mail from PSNH spokesperson Matt Chagnon 5.July.11}

**PAN AM: HIRING***

20 June, Ayer. *THE RAILROAD IS ADVERTISING FOR LOCOMOTIVE ENGINEERS* with at least one year’s experience as a conductor. It told the Brotherhood of Locomotive Engineers that the hires would work out of Ayer.

‘These union jobs fall under the BLET’s Delaware & Hudson/Springfield Terminal General Committee of Adjustment.’ {BLET e-mail to ANR&P}

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**NEW YORK**

**VRS: TERMINATE NYOG?**

21 June, Ogdensburg. *THE OGDENSBURG BRIDGE AND PORT AUTHORITY WANTS TO TERMINATE A CONTRACT WITH THE NEW YORK AND OGDENSBURG RAILROAD COMPANY*, claiming the railroad is in breach of contract regarding maintenance of an out-of-service locomotive, one of two owned by OBPA. Executive Director Wade A. Davis declined to provide details, or a copy of the termination letter, which was sent this day.
VRS response
David Wulfson, president of the NYOG parent Vermont Rail System, said: “We were shocked to get the letter. We absolutely didn't expect it. We feel the OBPA is overreacting to a disagreement over the interpretation of a minor issue in the contract. We are hoping we can discuss this with them and come to an agreement....There is a conflict between us and the Port and I don't want the customers to be brought into it. We want to continue serving the community.”

The locomotive
Wulfson said the contract requires NYOG to maintain the 1950s locomotive, which NYOG has not operated for two years. “We maintain those engines for them, but it's come to a time where we recommend they do a major rehab on the locomotive or purchase a new one...We sent one of our engines there at no cost to the port” to use instead. {Jimmy Lawton of Johnson Newspapers in Watertown Daily Times 24.June.11}

The chronology

2002. NYOG begins to operate the line between Norwood and Ogdensburg for the OBPA [see 02#04A].

2008. NYOG agrees with American Rock Salt to move product from Retsof, New York, to the Port of Ogdensburg. The salt cars, 500-1000 per year, will add to NYOG’s 2007 car total of 500. [08#08B]

2010. American Rock Salt moves the salt transload to Norwood, using the same operator as at the port, Knowlton and Sons. [10#12A]

January 2011. The OBPA ended Knowlton’s role as hauler for the OBPA via a 4 January 2011 letter. The authority wrote him that it would perform hauling services ‘in-house,’ and would rent ‘its own vehicles and utiliz[e] Authority labor.’ From there things continued to go down hill, eventually leading to the current dispute, according to Knowlton.

Offered his facility to OBPA
He later offered to lease or sell the facility to the OBPA, but the authority was not interested. [See below.]

May 2011. OBPA ‘discovers’ that NYOG has used parts from one of the two OBPA locomotives given to NYOG in 2002.

9 May 2011. OBPA sends a notice of default to NYOG. OBPA Executive Director Wade A. Davis said the authority's No. 12 SW-9 locomotive was not properly maintained by NYOG, as required by contract. The notice grants the company 30 days to take corrective action and comply with the contract.

Davis later said the 1950s-era train engine was "cannibalized" for parts in order to maintain the No. 14 SW900 locomotive, also owned by the authority. He said that action places the company in default of an agreement, which requires the rail company to maintain both locomotives.

June 2011. David Wulfson, president of the Vermont Rail System, says regular maintenance was performed on locomotive No. 12, but its disrepair resulted from regular wear and tear, which the agreement takes into account. Parts were taken off of the No. 12 unit, which has been off-line for nearly two years, and used on the No. 14 unit. However, after receiving the notice from the OBPA, Mr. Wulfson said all of those parts were ordered and replaced.

“In the railroad business, the customers come first. If you have two engines sitting side by side and one needs a fuel pump, it's normal procedure for any railroad to borrow from a unit that is off-line and use them on another. But any parts we have borrowed have been replaced.”
Wulfson says the No. 12 unit remains out of service due to a generator failure that resulted from regular wear and tear, for which he says his company is not responsible.

A 6 June letter to VRS from Pat Stapleton of Rail Mechanical Services Incorporated, Schuylkill Haven, Pennsylvania, states: ‘My inspection of unit No. 12 indicated that it has been properly maintained and this electrical failure was an unavoidable result of age and normal wear and tear.’

Wulfson estimates the generator replacement at between $20,000 and $50,000. “In my opinion and outside experts' opinion, no matter who replaces the generator, it's still throwing good money after bad. You still have a 1950s machine that is outdated and it will continue to have problems down the road.”

21 June 2011. OBPA sends a notice of termination. Davis later says: “The notice of default demanded the railroad correct the problem. They did not do so, therefore the notice of termination was sent by the authority to protect the public interest....

“General maintenance prevents major maintenance, and as a result of general maintenance not being performed, locomotive unit 12 is permanently out of service by the railroad's admission.”

22 June 2011. OBPA advertises in Railway Age for a manager. ‘The Rail Transportation Manager will manage, plan, direct and monitor the safe and efficient operations of the Authority’s rail system and services through the administration of operating agreements between the Authority and the operating contractors.’

Later, Frederick J. Carter Sr., president of the OBPA board of directors, said: “Right now, we feel that we are going to be in need for someone to run the railroad. We want to make sure that we are in a position to operate it when the time comes.”

A transportation manager “probably wouldn't” be hired if the rail operator retains control of the line, but said the authority plans to follow through on the contract termination. “The railroad has been run before by the Bridge and Port Authority. If we have to get back into that business to protect our customers and our interests, then we will do it,” says Carter.

The new hire would be in charge of sales, expansion and supervision of the railroad, as well as negotiating agreements with contractors. “The railroad is a very important to the port, to our system and to our transportation. This person would basically oversee it all.”

While he would not provide details, Carter said the authority has received some interest in the position. {Jimmy Lawton of Johnson Newspapers in Watertown Daily Times 24 & 30 June, 1 July.11}

**STB involvement**

Merely because the contract is terminated does not mean that NYOG is relieved of its obligation to serve customers on the line. When ST terminated the contract with NEGS, the latter fought the termination of its operating rights at the STB. See 10#05A.

**What is behind the OBPA action?**

Comments from ‘UB’ and ‘BigT’ appended to the Lawton stories in the Daily Times said:

- ‘I'm not sure if this is really why OBPA is doing this. A Mr. Knowlton has built a road salt facility in Norwood which is served by the Vermont Rail line. I believe that his business is hurting the OBPA's salt contracts at their Ogdensburg port. If OBPA takes over this RR line, they will put the squeeze on Mr. Knowlton's business.’
- ‘[NYOG] makes about three trips per week to Knowlton's (less than one mile from Norwood) and maybe one or two/week to Ogdensburg (over a 30-mile trip with no stops in between). OBPA can not support or compete with Knowlton's business.

‘This suit is not about maintenance..it is about Mr. Davis justifying his State job and his retirement package along with all of his "caboose"s.’

- ‘[I]f the plan goes through, what will the new railroad manager have to work with. If I am correct, he will have two old worn-out locomotives, one of which is not operable. Will the OBPA then do what they should have done a long time ago...buy two new/newer locomotives? Or, as in the past, will they saddle the new guy with junk that should have been scrapped?’ {Watertown Daily Times}

**VRS: A MEETING WITH OBPA**

6 July, Ogdensburg. **THE TWO PARTIES MET AT THE OBPA OFFICES** without a result, though both said they expected to resolve the matter. OBPA Executive Director Wade A. Davis offered no details. “We took a positive step forward today. There were productive legal discussions and both parties want to work toward a resolution. But several areas of concern remain.”

VRS President David Wulfson and Jerry Hebda, former VRS vice–president and now a consultant to the company, met with Davis and other OBPA officials. They also declined to comment. {Jimmy Lawton of Johnson Newspapers in Watertown Daily Times 7. July.11} 

7 July, Norwood. **THE 2010 SALT CHANGE IS CAUSING THE RIFT**, said Mike Knowlton [See chronology above.] “In my mind, there is no question that my request for rail service for salt caused problems between the New York and Ogdensburg Rail Company and the OBPA.”

**Authority position wrong**

“This issue with the railroad is not related to Mr. Knowlton's operations. This issue is a contractual dispute between the New York and Ogdensburg Rail Company and the Authority. It is about a locomotive that was not properly maintained,” said Davis.

However, Knowlton said the locomotive issue is being used as way for the authority to gain control over the railroad in order to regulate the rail. He said that when the authority-owned #12 locomotive was taken off-line nearly two years ago, NYOG provided a superior unit compared to what the #12 could do even if it was repaired.

“They brought in an 801 main line locomotive to ensure service would continue,” he said. “Vermont (Rail Systems) has done an excellent job of running this railroad. They have resources, personnel, and experience. It makes no sense that the authority would want to get rid of them over a locomotive.” {Jimmy Lawton of Johnson Newspapers in Watertown Daily Times 7. July.11} 

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**CONNECTICUT**

**PW v HRRC: CASE ENDED**

16 June, DC. **PW WITHDREW ITS PETITION FOR WAIVER FOR ADVERSE ABANDONMENT** on the out-of-service section of the Maybrook Line, which it filed in September 2010 [see 10#09B].

PW, working with ConnDOT’s Metro-North passenger service, “has been able to provide service to the involved shipper [Tilcon in Danbury–editor] during certain windows that the CDOT has made available. Consequently, while P&W still prefers to able to use the more direct HRRC routing to serve this customer using its trackage rights, it is not necessary at the present time to use the Board’s resources to ensure that P&W will be able to continue providing service to the
As the Board has not yet acted on P&W's Petition for Waiver, and as P&W does not at this time intend to file an adverse abandonment application, no parties will be prejudiced by the withdrawal of that petition.

24 June, DC. **THE STB GRANTED PW'S MOTION TO WITHDRAW** its petition for a waiver. {STB website, decisions page, Docket Number AB 254 Sub No.10}

**PW: THE WILLI**

8 July, Hartford. **THE STATE BOND COMMISSION APPROVED $1 MILLION FOR BETTER CROSSING PROTECTION** on the PW line between Willimantic and Plainfield due to increased rail traffic. Kevin Nursick, ConnDOT spokesperson, said Route 203 in Willimantic will receive gates, and Cemetery Road in Plainfield will receive flashing lights and gates. The improvements are scheduled for August. {Emily Groves in Norwich Bulletin 8.July.11}

**MAINE**

**LEGISLATURE: RAIL MONEY**

1 July, Augusta. **LEGISLATORS VOTED TO ALLOCATE THE REMAINING 50% OF SALES TAX** collected on rental car fees to the STAR Account [State Transportation, Aviation and Rail (STAR) fund (Title 23 Section 4210-B)]. Beginning in FY 12 (1 July 2011)-13, all sales tax on car rentals (estimated at $6.2 million), not just 50%, will go to STAR, so STAR will receive a $3.1 million increase.

That funding will ensure that Maine meets its match for federal transit and aviation funding. About $1 million of the new monies will go to the Small Harbor Improvement Program (SHIP); another $1 million will go to the Industrial Rail Access Program (IRAP); $930,000 will be used for transit investments; and $930,000 will go to Maine’s regional airports.

The Legislature [in possibly the most short-sighted move in MDOT history–editor] cut $230 million from the capital projects fund, eliminated indexing of the gasoline tax, and declined to pass any transportation bonds to the voters. {Maria Fuentes in Maine Better Transportation Association Update 1.July.11}

[MDOT’s two-year plan envisioned an additional $1 million in IRAP funds. See 11#04A.]

**MMA/NMR: JOINT PRODUCTION**

9 July, Northern Maine Junction. **MNR AND MMA HAVE AGREED TO SHARE HAULAGE TRAINS**, wrote MMA Chair Ed Burkhardt. ‘MMA has agreed to handle MNR's traffic between Fort Kent and Madawaska with our Madawaska-based crew, and in exchange MNR is handling MMA's traffic between Fort Kent and Millinocket in its trains. This is a sensible move to save us both from operating duplicative services in territory where there isn't nearly enough traffic to sustain a single carrier.’

[MNR has overhead trackage rights over MMA at both ends, while MMA has overhead trackage rights between Madawaska and Millinocket. See 11#05A.]

**Pricing**

‘MNR has not given us any changes in their revenue requirements, so we continue to protect existing pricing and are settling between ourselves on a mileage prorate basis, which is what we had proposed. I hope they will leave this as is.’

**Millinocket to Brownsville Junction**

‘We have had some discussion about one or the other of us handling the business of both [between Brownville Junction and Millinocket], or perhaps alternating in doing so, with no conclusion as of [9 July]. The MNR - MMA interchange is
at Millinocket, and this accounts for most of the MNR's business. Additionally, there is some miscellaneous business in the Millinocket area (including log loading at Dolby) that requires service.

‘You will recall these trackage rights arrangements were inflicted on MMA by the State as part of the line sale. They are highly uneconomic, [and] provide duplicative service in territories where there isn't sufficient traffic to support even one rail carrier. But this situation will sort itself out over time, given that the laws of economics haven't been repealed.’ {e-mails to ANR&P}

The MMA schedule
Job 1 leaves Brownville for Megantic early AM three days a week. Job 2 arrives Brownville early AM three days a week.

The NMR schedule
[NMR planned to base crews in Oakfield and Squa Pan–see 11#05B.] Six train service workers are assigned to NMR who work four days a week, assigned.

NMR Oakfield. Train 901 runs Tuesday, Thursday, and Saturday at least to Millinocket, and perhaps to Brownville Junction. Also, a train runs to Houlton Tuesday and Thursday.

NMR Squa Pan. This crew operates Monday, Wednesday, and Friday. They may operate to Oakfield, to Madawaska, to Presque Isle, to Easton, or to Caribou.

The EMRY schedule
NBSR operates a train to Mattawamkeag (interchange with ST) and Brownville Junction (interchange with MMA and NMR) three days a week, with a US crew which starts their trip in McAdam.. On 7 July, the eastbound NBSR, two locomotives and a slug, picked up a long string of cars off of Pan Am's main line, most from the 6 July WASJ [Waterville-Saint John joint train]. NBSR and ST track workers were evident on their respective lines. {Rail observer Billy Leazer in NERAIL 8.July.11}

MMA: ANOTHER SAVIOUR?**
6 July, East Millinocket. **LOCAL BUSINESS OWNER GALLEN HALE PROPOSED TO BUY THE SHUTTERED KATAHDIN PAPER MILLS** in Millinocket and East Millinocket. [The mills were once MMA’s largest source of traffic. See 11#04A.]

Hale, who formerly worked as a papermaker at each mill, now owns East Mill Metal and Salvage LLC in East Millinocket (a scrap metal recovery operation), and retail store Nicatou Stoves, which sells stoves and alternative fuels. He is seeking startup capital.

Looming disassembly
Hong Kong-based International Grand Investors Corporation, which recently bought the former Domtar mill in Baileyville, is in talks to buy the mills for $1, though local leaders say negotiations have hit complications. If no buyer is found before 31 July, Brookfield plans to begin disassembling the mills' equipment. {Nick Sambides in Bangor Daily News 6.July.11}

A lack of wood the problem?
On 23 June, State Representative Herbert Clark, D-Millinocket, told the Millinocket Town Council that International Grand Investors wasn’t finding enough wood in the area to make the purchase agreeable.

But on 24 June, Keith Van Scotter, co-owner of Lincoln Paper & Tissue LLC, said: “The wood is there. It is obvious that there are plenty of allowable cuts available. The issue is the cost. Wood prices continue to move up in an environment where our product prices are not.”
John Williams, president of the Maine Pulp & Paper Association, said: “The supply in Maine has been increasingly tight in hardwoods and softwoods. It means there is wood out there but there is less wood readily available. It is really not a lack of wood. That is particularly true in softwoods. The problem is getting softwoods to markets. There are not as many loggers as there used to be and we have very high fuel prices.”

Softwoods would most likely be the primary resource of the Katahdin mills, Van Scotter said. Wood prices, have generally increased by 50% since he and business partner John Wissman revitalized the Lincoln paper mill in 2004. Maine also had a longer, snowier winter and an extended rainy spring and mud season this year, though Van Scotter dismisses those factors as “more of an excuse than a reason” for any recent price spikes.

Landowners are driving up wood bidding prices, and “the consequence is that it squeezes their customer.” Landowners might drop their prices to help re-establish two paper mills. Letting the deal die is “a bad strategy,” Van Scotter concluded.

{Nick Sambides in Bangor Daily News 24.June.11}

MASSACHUSETTS

CSXT: TRANSFLO*

28 June, Westborough. CSXT OFFICIALS ATTENDED A PUBLIC HEARING ABOUT THE NEW TRANSFLO TERMINAL HERE. CSXT subsidiary Transflo Terminal Services will move its bulk transfer facility now in Allston here by 2012 [see 10#11A]. CSXT has set up a website, www.railwestborough.com, to explain the project to the public. The company needs to meet again with the Board of Selectmen and other boards before it can receive final site plan approval. {Priyanka Dayal in Worcester Telegram and Gazette 29.June.11}

GU: A CLEAN BILL OF HEALTH*

15 June, Upton. THE YARD IN WEST UPTON RECEIVED A CLEAN BILL OF HEALTH from the Massachusetts Department of Environmental Protection (DEP). Four DEP officials were among 14 people who visited the GU rail yard on Maple Avenue on 11 May after a local resident complained that tanker cars containing alcohol, nitric acid, ethanol, and toluene were being stored there. {Julie Balise in Milford Daily News 12.May.11}

DEP report: wood pellets

‘The site visit included looking at their fairly new wood pellet bagging operation and the transloading area,’ wrote DEP waste prevention chief John F. Kronopolus in a June 15 memorandum. “Wood pellets are brought in by railcar and vacuumed into large silos. The pellets are then bagged. Any dust is collected, made into pellets, and bagged. This operation is being conducted by Grafton Upton Railcare who is contracted by the railroad to operate the facility. I informed the group that if greater than one ton of particulate matter is emitted to the ambient air, the operation could require an AQ Limited Plan Approval. Based on the description of the operation, it appeared that a permit is not needed at this time.’

Liquid transload

‘The transloading operation is also operated by Grafton Upton Railcare as a contracted operation for the railroad. Hazardous and non-hazardous liquids are pumped from rail cars to truck trailers. The pumping system is set up to minimize the potential for any spillage (liquid is pumped from the top of the rail car to the bottom of the trailers) and is designed to collect any vapors and return them to the rail car.

‘Future plans, already in construction, are for a more extensive system to collect and manage any potential spills. The railroad is in the process of sloping their new transloading area so that any/all potential spills can be managed in a retention basin. No violations of Massachusetts Hazardous Waste Regulations were observed.’

Kronopolus concluded that, ‘Railroad officials have taken protective measures in areas of potential environmental
The Association of American Railroads in January 2011 produced an exegesis of US regulations on hazardous material railcar shipments (hazmat). Section 3 reads:

3. Expediting Hazardous Material Shipments
Loaded hazardous material shipments and both loaded and residue/empty time-sensitive shipments (see Table 2) must be forwarded either:
a. within 48 hours (excluding Saturdays, Sundays, and holidays) after accepting them at the shipper’s facility or receiving them in any yard, intermediate (transfer) station, or interchange point
or
b. when only bi-weekly or weekly service is performed, on the first available train toward the destination.

Exception: The 48-hour requirement does not apply to shipments that are constructively placed or set out for repairs. [The arrival of the cars in the yard means the cars are ‘constructively placed’. Editor]

Grafton Upton Railcare
Doug Pizzi, a public relations consultant who accompanied GU owner Jon Delli Priscoli and GU official Eric Moffett on the 11 May inspection visit, said that Grafton Upton Railcare is “an affiliate of the Dana Companies that operates the transloading yard and pellet bagging under contract to the railroad.”

Pizzi said the DEP memo indicates that GU passed the inspection with flying colors, “doing things they are not even required to do, and there will be fencing to come.” {Discussion with ANR&P’s Ed Beem, 22. June.11}

FRA satisfied, too
In April, the Federal Rail Administration also sent officials to the West Upton Yard. According to FRA spokesperson Warren Flatau, ‘FRA Region 1 conducted several inspections at the Grafton and Upton yard and found them to be in compliance with our regulations. My understanding is that the railroad leases a parcel of land adjacent to the yard to DANA Transportation Inc. which operates the intermodal transload facility. The confusion seems to be that some have sought erroneously to apply the “48 rule” requirements for hazmat to tank cars already at their destination (the Dana facility).’ {e-mail to ANR&P’s Ed Beem 15. June.11}

Delli Priscoli on critic
Both the FRA and DEP inspections came at the request of Marsha Paul, a former Upton selectwoman who ran unsuccessfully for the local board of health this spring. In a 14 May letter to the editor of the Milford Daily News, GU owner Jon Delli Priscoli responded to Paul’s concerns by charging that, “The May 11 visit to the West Upton transloading yard by the state Department of Environmental Protection came at the behest of a failed Upton candidate for local office who thought the best way to win votes was to manufacture problems where none exist.”

Delli Priscoli went on to call Paul’s complaint “shameful, politically motivated hysteria generated by an unscrupulous candidate, who happens to be an abutter to the railroad.” {Milford Daily News}

“Nobody has a problem with the train coming in as long as it’s safe,” said Marsha Paul. {ANR&P discussion 15. June.11}

GU: AN UPDATE**

20 June, Upton. “IT’S OPERATIONAL FROM NORTH GRAFTON TO WEST UPTON. IT'S A THREE-PHASE PLAN,” said spokesperson Doug Pizzi, of the 16.5 miles of track between North Grafton and Milford. Only about half the line is operational.

1 The Association of American Railroads in January 2011 produced an exegesis of US regulations on hazardous material rail car shipments (hazmat). Section 3 reads:
Phase two is West Upton to Hopedale. Phase three is Hopedale to Milford. Hopedale to Milford is problematic, because many of the rail crossings have been removed. “They have to be replaced because the railroad was never abandoned....It is incumbent on the removers, not the railroad, to restore these crossings. The issue of funding is a question for those who removed the crossings.” {ANR&P discussion 20.June.11}

Resurrecting the GU

Jon Delli Priscoli, whose principal business is First Colony Development in Marlborough, Massachusetts, purchased the GU in 2008. As reported in July 2009 [09#07A], Delli Priscoli initially planned to invested as much as $8 million to construct a dry bulk handling facility, a food-grade operation, a kosher truck wash, and facility capable of handling regulated commodities. Pizzi declined to discuss the status of the proposed kosher car wash, food grade operation, or regulated commodities facility.

“We are reluctant to talk about future plans,” he said. “That only helps our competitors.”

Wood pellets, corn

Pizzi did, however, report that the wood pellet bagging operation at the West Upton yard started up for the first time on 21 June. “It missed the last heating season,” said Pizzi. “It took its first delivery yesterday.” Pizzi also confirmed that the Weetabix cereal factory in Clinton receives corn at GU’s North Grafton facility.

Though the GU only operates two days a week at this point, Pizzi said, “The railroad is progressing in a non-robust economy.” [ANR&P discussion 20.June.11]

[See liquid bulk transload in other story.]

Railroad real estate development

Primarily a real estate developer, Jon Delli Priscoli has bought land along the GU line from the interchange with the CSX mainline in North Grafton to the interchange with the CSX Franklin Branch in Milford.

According to the GU website, its New England Integrated Logistics Center ‘provides multimodal transportation services combined with industry-leading 3PL options, including real estate development and construction.’

The GU website advertises bulk products transload, food grade crossdock and a five-acre build-to-suit site in North Grafton; a five-acre site in Grafton; envirobulk transload, liquid products transload, building products reload, a 10,000SF building, and a 38-acre build-to-suit site in West Upton; a pair of build-to-suit sites, one 173 acres, one 73 acres, outside of Hopedale; a bulk products transload,
warehouse/crossdock, 85,000SF building, and 30-acre build-to-suit site in Hopedale; and a five-acre build-to-serve site in Milford. {www.graftonuptonrr.com}

According to Doug Pizzi, Delli Priscoli owns the 85,000SF former Wickes Lumber building in Hopedale, a steel structure with 50-foot ceilings and an inside rail spur. Next to it, though not owned by Delli Priscoli, lies the one-million square foot Draper Mill complex, empty since 1980.

“The line is ripe for rail-oriented development,” said Pizzi. “It can offer one-stop shopping to rail customers.” {ANR&P discussion 20.June.11}

New GU engine?
Pizzi declined to comment on the railroad’s engines and rolling stock. “If we confirm we’ve bought a new engine, it invites trespass,” he explained. “People are passionate about railroads. That’s all well and good, but it sometimes leads people to do things they shouldn’t do.”

Edaville RR in limbo
Prior to purchasing the GU, Jon Delli Priscoli purchased the narrow-gauge Edaville Railroad in South Carver, Massachusetts. Pizzi confirmed that Delli Priscoli has had the two-mile line up for sale for $10 million since late 2010. “He wants to sell it as a complete entity to someone who wants to operate it as the scenic tourist railroad it is. A deal was in the works, but it didn’t pan out. Now two other buyers are back in the mix. We hope to have something in a couple of months.” [ANR&P discussion 20.June.11]

PAN AM: CONNRIVER
1 July, DC. US DOT AND THE MASSACHUSETTS DELEGATION ANNOUNCED A $72.8 MILLION AGREEMENT to upgrade the PAS line from Springfield to East Northfield, in order to permit Amtrak to again operate the Vermonter over it. This cuts 11 miles and 20 minutes from the route. {Massachusetts delegation press release 1.July.11}

The money from USDOT consists of $70 million announced in January 2010 [see 10#01B], a $2.8 million increase in the award in December of 2010 (FRA redirected funds from Wisconsin and Ohio which rejected federal high-speed rail funds), and another match of $2.8 million.

Finally, two contracts
MassDOT spokesperson Joe Pesaturo provided additional details on 7 July:

A MassDOT team negotiated a construction agreement to build the project, which has a 2 1/2-year term; and a maintenance and service-outcome agreement with a 20-year term. Amtrak, PAS, and the state [unclear if MBTA or MassDOT] signed the construction agreement on 27 June and [Amtrak and PAS, apparently, signed] the maintenance and service-outcome agreement on 29 June.

[In a March interview with Northampton Media, Pioneer Valley Planning Commission (PVPC) Executive Director Timothy Brennan worried that Congressional Republicans would delete the $73 million while the contract negotiations dragged on.

“This has been going on for a while and we’re all sweating bullets over it. Because until that agreement is inked, that money will not be released. (and) the longer this goes on, the more concerned we are.”{David Reid in Northampton Media 3.July.11}

The condition of the track
In 2009 MassDOT issued a draft Environmental Assessment for the work, based on a 2009 HDR report completed for PVPC [see 09#09B]. That year, MassDOT applied for $68.9 million from the FRA.

The HDR report stated: ‘The line from East Northfield to Greenfield and Springfield has numerous temporary speed
restrictions of 10 MPH. Most of the speed restrictions are allowed to remain in effect for extended periods, reflecting the limited amount of traffic currently operating on the line.’ {page 2-4}

The work
The construction agreement calls for the railroad to use its own workforce to bring the line to FRA Class 4 condition in two years. {Massachusetts delegation press release 1.July.11} ‘The project will be designed and constructed to maintain the freight service on the line’, wrote Pesaturo. He declined to state how many turnouts will remain for Pan Am customers.

All project materials will be procured by MassDOT through the MBTA. Initial procurements are expected by the end of the year.

Service and new stations
When Amtrak begins service, its trains will stop in Springfield (Union Station), Northampton, and Deerfield in Massachusetts, and then the current stops in Vermont. The parties are considering a stop in Holyoke. {Massachusetts delegation press release 1.July.11}

The 2009 HDR report stated: ‘The current alignment covers 60.4 miles between East Northfield and Springfield, with a stop in Amherst. Under the new alignment, the trip length would be reduced to 49 miles. The stop in Amherst would be eliminated, and replaced with a stop in Northampton with a continuation of bus service from Amherst to Northampton. A station would also be added at the Greenfield Intermodal Facility with the expectation that another station would be developed in Holyoke.’ {page 5-1}

According to Pesaturo, ‘while a number of planning studies have considered adding more service to the Knowledge Corridor, this project is focused on returning the Vermonter to the line.’ {e-mail to ANR&P 7.July.11}

Help for freight
The vastly faster track will permit better service to the current ST customers, the largest of which is the FirstLight coal-fired power plant at Mt.Tom, as well as those served via the new interchange with PVRR [see 11#06A].

The 2009 HDR report stated: ‘With the betterment of the rail line, freight service will also benefit through improved speeds along the line, and thus be better suited to serve shippers. The improvements to the rail line are anticipated to create benefits by diverting some freight movement from highway to rail, which will lead to a reduction in shipper costs.

‘....The total cumulative value of the shipper cost savings is $69.2 million. Additionally, the diversion of trucks to rail will reduce congestion on the regional roadway network and improve safety on the road for highway users....Due to the relatively slow transition from truck to rail shipments, as well as the timing of the additional freight service, the early benefits to shippers are relatively small, and increase over time. It is not expected that the additional service in the longer-term will have any impact on the planned freight improvements.’ {page 5-17}

The 2009 Environment Assessment stated: ‘Projections for completion of the Project indicate that there will be one additional freight train operating on the PAS Connecticut River Line and that by 2030, freight traffic will increase by 50 to 100%.

‘Freight train speed will increase from 10 mph to 40 mph. Amtrak trains will travel at about 60 mph. Freight travel times may change slightly to allow for Amtrak travel on the Connecticut River line, but this would not negatively affect overall freight service. The increase in average speed and number of cars per train coupled with track improvements would result in efficient freight operations.’ {text page 27}

PAS: MORE AUTO SPACES**
28 June, Ayer. THE TOWN AND THE RAILROAD SPARRED OVER WATER FILTRATION as PAS continued its plans to expand the San-Vel auto facility. Phase 1, with space for 800 cars, was completed in 2009 [see 09#12B], and PAS showed plans for the expansion, adding 1200 spaces, to the Town earlier this year [see 11#03B].

On this day, at the request of the Board of Selectmen, PAR Executive Vice-president Cynthia Scarano and Ayer
Department of Public Works Superintendent Dan Nason appeared for an update. Nason wanted the same StormCeptor filtration devices as Phase 1 used, for the sake of uniform construction, maintenance and crisis-management protocols for the entire facility. Scarano, citing the cost of the brand-name device, said a less expensive device specified in the Phase 2 plan suffices.

Because of federal pre-emption, Ayer cannot regulate the facility. Under a 2003 settlement, the town may monitor the construction and the ongoing drainage of the facility. Massachusetts DEP and the EPA signed off on the StormCeptor devices for Phase 1, but do not require them for Phase 2.

“If there was a reason that it made an environmental difference, then I would approve it,” Scarano said. “To be honest,” she added, “we pay a lot of money for these outside engineers who advise us. You have to look at the whole system. What they’re telling me is, there isn’t a difference.”

Nason said Scarano’s data might be appropriate for another site, but not for this site, which lies above the town’s drinking water aquifer. {Mary Arata in Lowell Sun 2 July 11}

STB? Work has begun

Nason said on 6 July that selectmen, the town administrator, and the office of US Representative Nikki Tsongas were arranging a meeting with officials from the STB.

While the town and PAS have not agreed on the filtration device, the railroad has begun work on the expansion. {ANR&P discussion}

EPA and DEP okay with PAS device

At a 14 June Selectmen’s meeting, Nason said neither Carl Dierker, director of the Office of Regional Counsel for U.S. EPA Region 1 in Boston, nor the regional director for MassDEP’s Central Regional Office in Worcester, agreed with him. “They more or less are saying the water quality specs have been met.”

“They were resisting the type of protections you wanted before,” noted Selectman Pauline Conley, who said involvement by a congressman’s office and federal officials “compelled” the Stormceptors for the 800-car lot. “If they did it for the 800-car lot, no reason not to do it for a 1200-car lot.”

“There’s already talk of Phase 3,” noted Nason.

“They’re also on criminal probation,” added McCreary of the March 2009 criminal conviction handed Pan Am in relation to the failure to report a 2006 locomotive diesel fuel spill in Ayer and taking measure to cover up the spill [see 09#04A]. {Mary Arata in nashobapublishing.com}

More tax revenue

The additional paving, fencing, and lighting will increase the assessment of the San-Vel facility, and thus taxes to the Town of Ayer, said the town’s assessing administrator Tom Hogan. He estimated the increase in valuation for the first [2009] phase at about two million dollars. {ANR&P discussion 6 July 11}

Why the expansion?

Nason said he had not heard any reasoning from PAS for the expansion. Mike Miranda, whose NORAD operates the Davisville, Rhode Island facility receiving Fords, said he had “another year and a half” to go on the Ford contract there. {ANR&P discussion 5 July 11}

Ford declined to comment on the reasons. Spokesperson Todd Nissen wrote: ‘For competitive reasons we don’t talk publicly about the specifics of our discussions with suppliers, so I can't comment on what Pan Am Southern Railway is planning for the Ayer facility.

‘We don't give out sales forecasts, but I can tell you that Ford sales were running 12% ahead of last year through the first half of 2011, approximately in line with the overall industry increase.’ [But global auto manufacturers are reporting manufacturing plans through 2016 far in excess of the global market. Some of them will fall short. {Antony Currie and

Nissen also declined to comment on whether Ford would use the Mechanicville facility [see 11#06A] when it opened.

{e-mail to ANR&P 8.Jul.2011}

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**NEW HAMPSHIRE**

**MBRX v ST: THREE ORDERS**

23 June, Concord. *JUDGE BARBADARO ORDERED A HEARING FOR 1 JULY*, after an earlier meeting with counsel for both sides. The text of the order [see 11#06A]:

‘Before this case can be tried, the court must interpret the Tracking Rights Agreement (“TRA”) and the safety rules that are at issue in the case. The court will hold a hearing on July 1, 2011 at 2:00 p.m. where the parties may present their respective views on the contract interpretation issues that lie at the heart of the case. To the extent a party contends that a provision of the TRA is ambiguous, that party shall be prepared to present any evidence that bears on the claimed ambiguity.’

**Order denying ST contention of STB jurisdiction**

ST sought dismissal of the case because under the Interstate Commerce Termination Act, federal law pre-empts state law. Barbadaro denied this motion.

‘The ICCTA in part states that the remedies provided under this part with respect to regulation of rail transportation are exclusive and preempts the remedies provided under Federal or State law.’

ST’s reasoning, Barbadaro wrote, ‘begins with the premise that state law claims for breach of contract and breach of the duty of good faith and fair dealing are “remedies” as that term is used in [Title 49] § 10501. It then argues that trackage rights agreements amount to the regulation of rail transportation because such agreements ordinarily are subject to approval by the Surface Transportation Board and the Board’s authority with respect to such approval is “exclusive.”

‘I am unpersuaded by Pan Am’s argument. The STB plainly has exclusive authority to either approve trackage rights agreements or to exempt such agreements from the approval requirement.

‘Moreover, a rail carrier that enters into a trackage rights agreement is exempt from state law to the extent that an exemption is “necessary to let that rail carrier . . . carry out the transaction, hold, maintain, and operate property, and exercise control of franchises acquired through the transaction.” 49 U.S.C. § 11321(a).

‘The ICCTA, however, does not give the STB the power to resolve disputes between rail carriers concerning the meaning and operation of trackage rights agreements. Nor does the fact that such agreements are subject to Board approval unless exempted transform privately agreed-upon terms in a trackage rights agreement into the “regulation of rail transportation.” Thus, I am not persuaded that contract claims arising from a trackage rights agreements are preempted for the reasons claimed by Pan Am.

‘The present dispute concerns Pan Am’s right to bar Leishman from its tracks pursuant to the TRA. Because the dispute is not a dispute with respect to the regulation of rail transportation, Pan Am’s motion to dismiss on this basis is denied.’

**Order dismissing Leishman as a plaintiff**

Barbadaro granted ST’s motion to dismiss Leishman, leaving MBRX as the plaintiff. Barbadaro noted that the MBRX complaint failed to state any damage to Leishman personally (as opposed to his corporation which owns the railroad), and without any damage, Leishman has no case. {all three orders on court website, Case 1:10-cv-00264-PB}
MBRX v ST: POSSIBLE DEAL**
1 July, Concord. **JUDGE BARBADORO TOLD BOTH SIDES THEY WERE WRONG**, during a hearing on the application of FRA safety rules to the treatment of the 2009 MBRX accident when the train hit a tractor-trailer illegally crossing the tracks.

Leishman was wrong in his application of the FRA rule to train operation in that situation, and ST is wrong in barring Leishman for life because of the rules violation, Barbadoro told the parties. {e-mail to ANR&P from Leishman}

Next formal step
According to the court website, the ‘special hearing’ was held ‘to interpret the terms of the contract. Defendant to file motion for summary judgment; plaintiff's objection due 9/15/11. No need for reply, if counsel feel one is needed then file a motion requesting leave to file. Trial to be set for 11/1/11. (Pltfs Atty: Craig Donais) (Defts Atty: Michael Connolly)’ {NH federal district court case 10-cv-64} 

SOME UNSOLICITED ADVICE
On 7 July, the STB announced it will charge $350 to file complaints against railroad rates instead of $20,600. "We said when asked back then and we still maintain today that the amount of a filing fee should not be the reason a party does not have recourse to the STB," said Patricia Reilly of the American Association of Railroads. {Wall Street Journal}

Granite State Concrete should file a case for $350 against both MBRX and Pan Am for service, if the two cannot settle the matter based on Judge Barbadoro’s opinions. Editor

RHODE ISLAND

[See Regional on limestone move.]

VERMONT

VERMONT: ROAD SALT*
23 June, Montpelier. **VAOT EXTENDED THE SALT CONTRACTS FOR ALL SUPPLIERS** for another year, with a 2% price increase. {ANR&P discussion with agency’s purchasing agent Brian Berini} [See 10#06B.]

QUEBEC/MARITIMES

CN: TESTING LONGER TRAINS*
26 May, Montreal-Moncton. **CN TESTED THE USE OF LONGER TRAINS INTO THE MARITIMES** this day. Spokesperson Mark Hallman said CN ran from Montreal to Moncton with a train of 13,378 feet. “We are constantly examining ways to improve our productivity and looking at how we would be able to do things if there was sufficient growth to demand that (longer train).”

Distributed power
The test train operated with distributed power: locomotives dispersed throughout the train, some at the head, some in the
middle and at the end. ‘That allows for faster air through the air brakes, improves train handling and helps to slow the train more quickly... With distributed power we are able to pump air throughout system better (in cold weather) and we are not forced in cold weather to reduce train lengths. So it is more efficient.’

**Longer trains not needed now to Maritimes**

‘The test train was very successful but existing traffic demand is such that CN can run everything on 11,500 foot daily trains. Our eastbound intermodal train at 11,500 feet out of Toronto usually drops about 3,000 feet of traffic at Moncton and proceeds to Halifax with roughly 8,500 to 9,000 feet of traffic. The same happens in reverse,’ Hallman said in an email.

‘If we see the need for more capacity into and out of the Maritimes in the future, CN can use longer trains such as the test train to accommodate more traffic. Because CN’s sidings are 11,500 feet in length between Montreal and Moncton, if we run a 14,000 foot train in one direction, the opposing trains must be limited to 11,500 feet. This is not an issue.’ CN operates 14,000 foot trains regularly between Toronto and Edmonton.

**Regular schedule**

Hallman said CN runs trains 120 eastbound and 121 westbound to and from Halifax from Brampton Intermodal Terminal seven days a week. The train is pure intermodal coming into Moncton but picks up a number of merchandise cars in Moncton that are destined for Halifax. The train departs Moncton for Halifax as 95% intermodal. The reverse sees westbound train 121 at 95% intermodal departing Halifax and dropping merchandise cars in Moncton It departs Moncton as a pure intermodal train. {Hallman in email to ANR&P’s Tom Peters 1.June.11}

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**CANSO: STILL HOPEFUL**

8 July, Stellarton. THE MAHER MELFORD TERMINAL PROJECT CAN TRANSFORM NORTHERN NOVA SCOTIA, members of the development team told the Pictou County Chamber of Commerce, while providing a project update.

“(It could) plant a new tree of life, if you will, industrial and economic life,” said Brad Gordon, director of corporate investments for Deutsche Bank, the parent company of Maher Terminals.

The group continues to work on raising equity and debt capital. Officials say the equity side of things is well on its way, with a construction date hoped to be in the near future. Phase 1 construction should take 24 to 30 months.

**No public funding**

Paul Martin, president of Melford International Terminal Inc., said all of the funding would be covered by the private sector. While the project has received strong support at all levels of government, there is no financial contribution "nor will there be." The group did buy land at market value from the Municipality of the District of Guysborough and the province.

**Not competing with Sydney or Halifax**

Gordon compared the venture to Prince Rupert, where Maher began operating the container terminal when it opened in 2007. That facility’s business has expanded every year.

Martin said while they are aware of what is going on in Halifax and Sydney, just as they are of what is going on at all the ports around the world, they don’t see themselves as being in competition with either location. “Our competition is Norfolk, Virginia. Those are the guys who are moving the cargo.”

Martin said Melford is using a specific marketing program that targets shipping lines and the companies that use them to build support and demand for the project. In some cases, he said, companies that do a lot of shipping are just as influential as the companies who carry the boxes from port to port, if not more so. “They’re the people that own the cargo that’s in those boxes.”

Melford also wants balanced traffic, and new exports from the region, including ones from agricultural, fishing, and industrial sources.
Martin said the growth of the industry is documented and is now outstripping pre-recession levels. It is a long-term investment and that is the view they must take with such a project.

“This type of a market is a 40- or 50-year investment. It’s not something you’re going to invest in for tomorrow. . . What you’re looking for long-term is a stable return over many, many years.” {Michael Gorman in Halifax Herald 7.July.11}

MONTREAL: USING HUBS*

29 June. THE PORT OF MONTREAL IS BENEFITTING FROM MARINE HUB SYSTEMS AND BIG CONTAINER SHIPS. The Montreal Port Authority announced at its 26 May annual meeting that the port handled 25.9 million tons of cargo in 2010, up 5.7% compared to 2009. Container cargo increased 6.8% to approximately 1.3 million TEUs due partly to a 33% increase in Mediterranean traffic.

President and Chief Executive Officer Sylvie Vachon said: “This reflects the importance of hub ports in the Mediterranean that receive cargo from Southeast Asia via the Suez Canal and that we are in business with.” {MPA release 26.May.11}

Growing segment

In late June, Tony Boemi, vice-president Growth and Development for the Authority, said: “Hub ports not only in the Mediterranean but also in the Caribbean have helped boost cargo in Montreal.”

Megavessels have too much draft and cost too much to call every port. “But they still have to get cargo to markets, so when you look at Montreal one of our biggest attributes is geographic location relative to the population density surrounding us. So what we are seeing is these larger vessels transhipping into these smaller vessels so the smaller vessels are reaching the markets.”

Cargo origin changing

“If I gave you a snapshot of Montreal say 10 or 12 years ago you would see that roughly 80% was Northern Europe cargo and maybe 15% was Western Mediterranean. If I gave you that same snapshot today (latest figures) with the transhipment hub strategy, we see that Northern Europe is roughly 46%, the Western Mediterranean is about 18.5%. We also now see cargo from Latin America which is about 6.5%, the Middle East 9%, Asia at about 13%, Africa at about 4% and Canadian cargo about 3%.” [Canadian cargo is presumably by Oceanex Montreal-Newfoundland. Editor]

No new carriers, but more Canada-destined

The increase in cargo and markets however hasn’t meant “new shipping lines, just the same lines increasing the number of services,” Boemi said. “What we also realizing, again making comparisons between the Port of Montreal today versus the port say 10 years ago, is we are still very predominant into the U.S. market but we are realizing that these new markets - Latin America, Eastern Mediterranean, Asia – all have cargo destined for the Canadian market whereas before the ratio between U.S. and Canada transiting through Montreal was roughly 45% U.S. and 55% Canadian. Today that is 25% U.S. and 75% Canada.

“Years ago people would say doom and gloom for Montreal because we can’t handle the big ships. I say of these big ships bring them on because you got to get the product to market and they are doing it through transhipment. So we definitely see growth.”

Not taking market share from Halifax

The MPA spokesperson doesn’t see Montreal through this hub port system stealing business from Halifax. “I really don’t think so. If I remember correctly they have always had market share for Montreal and Toronto and strong presence into the U.S. and those lines are still calling there. Our biggest competitors are on the U.S. East coast like Norfolk and New York,” Boemi said. {Discussions with ANR&P’s Tom Peters 24 & 29.June.11}
Halifax big ship port
Halifax Port Authority’s Michele Peveril said Halifax’s approach to cargo and ships is different than Montreal “in that they are looking to have the smaller ships. We are a big ship port targeting bigger ships that then would transfer to smaller ships elsewhere.”

She cited the example of CMA CGM with its bigger vessels loading in Halifax and then continuing to Kingston, Jamaica to disperse cargo to smaller vessels through its hub there. Not all cargo on the CMA CGM vessels originates in Halifax but there are commodities such as potatoes, fish and other food stuffs that are exported from the Maritimes to the Caribbean. So in effect, Kingston is a hub port for Halifax because it connects Halifax cargo to various trade routes in the Caribbean.

“So Halifax has a different model with its ability to take the big ships versus Montreal which is looking at the size of vessel that can transit a river port,” she said. [The largest container ship to ever call the Port of Montreal was the MSC vessel Carouge which carried 4,860 TEUs into Montreal on 12 May this year. {Robert Gibbens in Montreal Gazette 13.May.11} ] The largest ship calling Halifax regularly basis is MOL’s Paramount at 6,350 TEUs.

Halterm has no air draft problems, deep berths, and new super-post-Panamax cranes [see 11#06A] can handle any container ship afloat, according to port authority and Halterm staff. {Peveril in discussions with Tom Peters 28 & 29.June.11}

SYDNEY: HUB PORT?*
26 May. SYDNEY WOULD BE AN IDEAL HUB PORT FOR SOUTHEAST ASIA AND THE INDIAN SUBCONTINENT, distributing cargo to ports along the East coast, said Ed Zinney of Paul Richardson & Associates, during the Sydney Ports Day panel discussion in May.

James Paylor, ILA vice-president in Philadelphia, told the panel that transshipment would give Philadelphia access to these bigger vessels. {ANR&P’s Peters coverage 26.May.11} [Philadelphia and Sydney discussed cooperation earlier–see 10#01A.]

The Sydney dredging, planned for autumn 2011 [see 11#04B], will result in a laydown area for a container terminal. But the terminal project lost its major financial back, Galaxy SARL, a French private equity fund, over a year ago and has been looking for new investors. Galaxy SARL, like many other equity funds, was hit hard by the recession. {Tom Peters in Canadian Sailings 19.Jan.10}

Jim Wooder, chair of the Sydney Marine Group, did not respond to a request for comment on the status of the container terminal.

BELLEDUNE: NEWFIE LINK?
23 June. THE PORT AUTHORITY HAS TWO EXPRESSIONS OF INTEREST TO OPERATE A BELLEDUNE- ARGENTIA CARGO FERRY SERVICE from private parties, following a request for expressions of interest in April of this year. “Our plan going forward is to meet with those two parties individually and find out exactly what their interests are and how they see the service going forward. Once we do that the plan would be to put out a more formal request for proposals,” said the authority’s marketing director, Jenna Doucet. She would not disclose the names of the two parties.

Time line?
The port has no start date in mind. Doucet said “like any vessel service the sooner the better. But realistically we are looking at maybe next spring or summer. It really depends on what the interest is of these two parties and what they have in mind. If they have something in mind that it could start this summer well that could be but realistically we are looking at a cargo service using two vessels back and forth so we are looking more at next spring or summer.”
APTA in favor
Jean Marc Picard, executive director of the Atlantic Provinces Trucking Association, said the trucking industry is interested. “Right now we only have one option, Marine Atlantic. There is also Oceanex but it is not the same service and is not in direct competition. But a new service would probably target traffic from northern New Brunswick and anytime to you can shave a few hours off the road and put a truck on a vessel you not only save on fuel but on the wear and tear on the equipment.”

From a carrier’s standpoint, to switch to a new service requires 100% service reliability and cost efficiencies. Doucet said for the time being the port authority isn’t focusing directly on the trucking industry. “We are focusing more on getting the vessel service and getting someone to operate the vessels and then we will jointly approach the trucking industry. They won’t change what they are doing or switch any cargo over unless it is a reliable service they are sure they can depend on.” {Discussions with Tom Peters 23.June.11}

Marine Atlantic
The trailer and drop-trailer service for Newfoundland is a major part of Marine Atlantic’s business. In 2009/10 the ferries between North Sydney and Port aux Basques, and North Sydney and Argentia, carried a total of 96,694 commercial vehicles, mainly trucks and trailers. {Marine Atlantic Annual Report 2009/10}

Marine Atlantic charges per foot. For example, a one-way crossing between North Sydney and Argentia for a commercial vehicle between 40 feet and 50 feet in 2011 cost $907.46 including a fuel surcharge. {Marine Atlantic
Land purchase
In an unrelated development, the Port of Belledune recently purchased 1,400 acres of land that surrounds port property for an undisclosed price from Xstrata Zinc Inc. “The land was available and we were able to negotiate a very good price. We bought it so nobody else could buy it and we can control what goes on or built in and around the port,” Doucet said. The authority has nothing planned for the land but bought it mainly “for protection.”

Traffic
Vessel traffic at the port is on par with this time last year, Doucet said, but she expects business to pick up over the summer months as the Arctic shipping lanes open. “That is typically the busy season so hopefully things will keep increasing throughout the summer.” {Doucet in discussions with Peters 23.June.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.
Ford (PAS, Massachusetts) Ayer terminal expanding.
Katahdin Paper (MMA, Maine) Another possible buyer.
Knowlton (NY, NYOG) Irritant to Bridge and Port Authority?
PSNH (St, New Hampshire–see Regional) Receives limestone.
Transflo (CSXT, Massachusetts) Update on Westborough.
?? (GU, Massachusetts) Wood pellet bagging in West Upton.
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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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.’