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

**REGIONAL**

**Boston-Portland-Halifax:** Feeder ship should be full by the end of 2011.*
**PW:** 1H11 cars down, intermodal, revenue up.**
**Logistec:** Pellet export facility in Georgia.*

**NS-PAS:** Inspections in Ayer, Mechanicville. 
**RailAmerica:** NECR, CSO, CBNS will have industrial development projects in 2012.*

**NEW YORK**

**NYA:** Overview of operations, customers, traffic.
**NYA:** Brookhaven Rail will start after August.**
**PAS-NS:** Mechanicville to open in 2012.*

**QUEBEC**

[No report.]

**CONNECTICUT**

[No report.]

**MAINE**

**Amtrak:** NNEPRA chooses layover facility in Brunswick Pan Am yard.**
**Pan Am:** NewPage could file for bankruptcy.*
**Maine road salt:** Last year's contracts renewed.*

**MASSACHUSETTS**

**MC:** Kennedy and Wahle out, John Delli in.**
**Pan Am:** Will abandon Watertown Branch.

**NEW HAMPSHIRE**

**MBRX v ST:** No mediation.

**RHODE ISLAND**

[No report.]

**VERMONT**

**VRS:** Track for Ethan Allen has improved.*

**MARITIMES**

**CBNS:** NewPage shuts Stora facility.
**Halifax:** Target may use Halterm.*

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Kennedy, Wahle, Podgurski, Delli Priscoli, Redeker

**FROM THE PUBLISHER**

Long Island sojourn
Thirty-three days on Long Island produced two excellent tours and articles (thanks to Andy Kaufman and Paul Victor), and a wonderful time. I'm now back in Maine.

NEARS: well worth it
Next rail adventure to State College, to learn about Marcellus Shale and supply chain logistics. These semi-annual confabs are well worth it. See the agenda herein.

- Chop Hardenbergh

Next formal issue 9 Sept.

**REGIONAL ISSUES**

**BOSTON-PORTLAND-HALIFAX:**

**AFL UPDATE**

11 August. *AMERICAN FEEDER LINES HOPES TO HAVE ITS VESSEL AFL NEW ENGLAND OPERATING WITH FULL LOADS* between Nova Scotia and New England by the end of this year or early in 2012, said AFL Chief Operating Officer Rudy Mack.

The 700-TEU ship began regular weekly service between Halifax, Portland and Boston on 15 July [see 11#07A]. While the first week the ship carried 110 TEUs, both loaded and empty containers, the second week saw less than that.

“I am pretty sure in the next three or four weeks our volume will steadily increase and we are planning to have a full ship by December or January. If it is light cargo we can carry about 700 TEUs and if it is heavy cargo maybe about 450,” he said.

**Import and export cargo on the way for Portland**

“International cargo from Asia and Europe is on its way and we will have first arrivals in Halifax next week for customers in New England like LL Bean in Portland and that is a very important development for us. Export-wise we have customers like Schnitzer scrap metal and International Forest Products from Portland. Those people are starting to load with us and next week we expect to load 150 TEUs,” Mack said.

**Carriers signed**

AFL has signed carriers Hapag-Lloyd and Hanjin to connecting carrier agreements and is talking to NYK, OOCL, Zim, Maersk and all the major carriers that call Halifax, said Mack. AFL will likely sign two more carriers next week. He wouldn’t say who the next potential clients will be.

He was disappointed that the CKYH Green Alliance will stop calling Halifax [see 11#07B] with its weekly Pearl River –Southeast Asia-Suez Canal Express service because AFL client Hanjin is part of that alliance.

However, he indicated it may not be all gloom. “K” Line, Hanjin, and other major carriers have direct service out of Boston. The loss of the direct Halifax call gives AFL an opportunity to feed Canadian cargo for the Boston connection. {Rudy Mack in discussions with ANR&P’s Tom Peters 11.Aug.11}

**PW: HALF-YEAR RESULTS**

12 August, Worcester. *PW CONVENTIONAL CARLOADS DROPPED 9.5% FOR 1H11, THOUGH OPERATING REVENUE INCREASED*, according to the quarterly report issued this day. “Operating revenues increased $847 thousand, or 6.15%, to $14.6 million in the six months ended June 30, 2011 from $13.8 million in 2010. This increase is the result of a $847 thousand (6.8%) increase in conventional freight revenues, a $84 thousand (27.4%) increase in container freight revenues, offset by a $43 thousand (11.4%) decrease in other freight-related revenues and a $41 thousand (6.8%) decrease in other operating revenues.

**Conventional revenues increased, coal down**

The increase in conventional freight revenues results from a 13.3% increase in the average revenue received per conventional carloading, offset by a (9.5%) reduction in traffic volume. The Company’s conventional carloadings decreased by 1,052 to 16,446 in the first six months of 2011 from 17,498 in 2010.

The number of shipments of most commodities handled by the Company was relatively constant with increases in ethanol and automobile shipments during the first six months of 2011. There was a decrease in coal shipments due to a power plant customer being offline during a substantial portion of the period. The increase in the average revenue received per conventional carloading is due to a shift in the mix of commodities, as well as some rate changes.
Container count up  
The increase in container freight revenues is the result of a 18.8% increase in traffic volume and a 6.4% increase in the average revenue received per container. Container traffic volume increased by 896 containers to 5,659 containers in the first six months of 2011 from 4,763 containers in 2010. This increase in traffic, along with improved economic conditions, contributed to the increase in the average revenue received per container.

Other  
The small decrease in other freight-related revenues results from a decrease in miscellaneous revenue. The slight decrease in other-operating revenues reflects a decrease in maintenance department billings for services rendered to freight customers and other outside parties.

Operating expenses  
Operating expenses for the first six months of 2011 increased by $1.1 million, or 7.4%, to $15.9 million from $14.8 million in 2010. Increases in the cost of diesel fuel as well as increased usage accounted for the majority of this increase. Increased operating costs were also due to an increase in maintenance charges and maintenance of way expenses as compared with the same period in 2010. These increases were offset in part by amounts received on account of assignment of tax maintenance credits received in 2011 ($869 thousand) and an increase in scrap recoveries ($293 thousand) which were not realized during 2010.

[Operating ratio up]  
Though the PW management discussion did not note this point, the figures in the 10-Q showed operating expenses ($15.9 million) once again exceeded operating revenues ($14.6 million), translating to an operating ratio of 108.7% versus 107.8% in 1H10. First quarter the railroad always loses money; in this case in 2Q11 it barely broke even (operating ratio 99.1%) leaving the first half year ratio very high. Editor]

Track Maintenance Agreement  
In the second quarter of 2011, the Company entered into a track maintenance agreement with an unrelated third party customer (“Shipper”). The Shipper paid for qualifying railroad track maintenance expenditures during 2011 in consideration of the assignment of railroad track miles which permits the Shipper to claim certain federal tax credits pursuant to Internal Revenue Code Section 45G. During 2011, the Company received $869 thousand, net of expenses, which offsets maintenance of way expenses. Since the authorizing federal legislation for 2010 track maintenance credits was not renewed by Congress until December 2010, no amounts were received during the three and six months ended June 30, 2010 for 2010 track maintenance credits.

Line of credit  
In June 2011, the Company extended its revolving line of credit facility in the amount of $5 million from a commercial bank. The line of credit facility expires on June 25, 2013. At June 30, 2011, $900 thousand was outstanding under this line of credit. {Form 10-Q from SEC website}

Deal with National Grid  
On July 29, 2011 the Company received $1.2 million for the settlement of certain legal proceedings and the grant of a permanent easement.’ {Form 10-Q from SEC website}  

This describes, most probably, the deal PW reached with National Grid about its power poles in the PW right of way on the Gardner branch, as PW withdrew its STB complaint against National Grid [see 11#07B] on 2 August.  

From 19-22 August PW will work on its bridge in Holden on the Gardner Branch. {The Daily Holden 17.Aug.11} Marie Angelini wrote: ‘P&W has no comment on the item in the 10-Q that you reference.

‘The work in Holden at 122A was on a 100+ year old bridge on which we replaced the superstructure,’ not part of the Gardner branch double-tracking. {e-mail to ANR&P 23.Aug.11}
LOGISTEC: EXPANSION*
17 August, Brunswick, Georgia. **LOGISTEC AND THE GEORGIA PORTS AUTHORITY WILL UPGRADE THE WOOD PELLET TERMINAL HERE** under an agreement signed last week. Pellets are shipped to biomass power plant utility companies in the United Kingdom, Scandinavia and other European countries.

Logistec USA will provide $5 million to help expand the terminal’s capacity. Under a first phase, the partners plan to upgrade the terminal to handle up to one million tons of wood pellets and chips annually. To begin in September and conclude in January 2012, the project calls for deepening three berths and upgrading a docks and handling facility.

The Port of Brunswick is served by the Golden Isles Terminal Railroad, a Genesee & Wyoming Inc.-owned switching railroad that interchanges with CSX Transportation and Norfolk Southern Railway. *(Journal of Commerce 17. Aug. 11)*

According to the Logistec website, ‘Renewable energy is a growing market in North America, specifically in the U.S. Southeast where the State of Georgia is integrating its forest and energy industries, and where the logging industry, wood suppliers, forest product manufacturers, wood waste dealers and landowners provide a sustainable supply of raw materials for the manufacturing of pellets.

‘Logistec's strategically located port facility in Brunswick, Georgia, has played an important role in the cargo-handling company's success to receive, store and export hundreds of thousands of pellets annually. “Working with our customers in the biomass market since 2006, we have exported close to 500,000 tons of pellets through our facility, and this number is expected to more than triple in the next few years,” said Jay Baird, Logistec's U.S. regional sales manager.’ *(company website)*

NS-PAS: PATRIOT CORRIDOR
21-24 August. **NS AND PAS OPERATED AN INSPECTION TRAIN** as far as Ayer, with a halt at Mechanicville.

Rudy Husband, NS resident vice-president for Pennsylvania & New England, wrote on 25 August: ‘There were no public events associated with this inspection trip.’ *(e-mail to ANR&P)*

**The train schedule**
Sunday: Depart Buffalo at 1800 hrs

Monday: Arrive Binghamton 0200 hrs (change crews), depart Binghamton 0210 hrs, Arrive Mohawk Yard 0700 hrs.

Train consist: 4 NS F-units A-B-B-A and 10 passenger cars.

At Mohawk, 2 of the units (an A & B unit) and the sleepers (head 4 cars) will be cut and staged on the Mohawk Switching Lead.

PAS crew to be ordered 0700 hrs and depart Mohawk at 0900 hrs with the balance of the train. Arrive Deerfield at 1300 hrs, Depart Deerfield at 1430 hrs and Arrive Ayer at 1930 hrs. At Ayer, the train will be wyed and Pan Am locomotive and 2 business cars will be added to the train.

Tuesday: Depart Ayer at 0900 hrs, Arrive Mechanicville 1515 hrs for an inspection of the work in progress on the new yard, depart Mechanicville 1530 hrs and Arrive Mohawk at 1605 hrs. Pan Am power and business cars to be cut and return east. NS crew to add the 2 NS F-units and 4 sleepers to the train and tie up at Mohawk for the night.

Wednesday: NS crew on duty 0500 hrs, Depart Mohawk 0700 hrs and arrive Binghamton 1155 hrs, Depart Binghamton 1250 hrs, Arrive Corning 1500 hrs, Depart Corning 1530 hrs and Arrive Buffalo 1815 hrs. *(NERN e-list)*
PW still moving Fords
Though the expansion at Ayer and the new construction at Mechanicville go forward, PW continues to move auto traffic to Quonset. On 25 August, the PW e-list noted that of the 55 cars PW delivered to Seaview Railroad, 37 were autoracks with Fords, and 10 autoracks with Subarus. {PW e-list}

RAILAMERICA: NEXT YEAR*
19 August, Jacksonville, Florida. RAILAMERICA EXPECTS NEW OR EXPANDED INDUSTRIAL CUSTOMERS NEXT YEAR, according to Steve Rupert, who handles strategic planning for the short line holding company.

On 18 August, RailAmerica said 34 of its customers on its 43 railways in the first half of 2011 announced plans to build, expand or reopen facilities, generating more than 25,000 annual carloads for the short line operator within the next 18 months. {company website}

Not yet in Atlantic Northeast
Rupert said CSO, NECR, and CBNS did have some new industrial projects in 2010, and expect some in 2012, but were not among the short lines who had customers expanding this year. {ANR&P discussion 19.Aug.11}

NEW YORK

NEW YORK & ATLANTIC: UPDATE
17 August, Fresh Pond. AN UPDATE ON OPERATIONS AND TRAFFIC CAME FROM PAUL VICTOR, NYA president, during an interview. Victor moved to NYA about five years ago because he has long worked with Larry McCaffery, co-founder, and Bruce Lieberman, vice-president, of NYA parent Anacostia & Pacific.

Victor joined the NYA in September 2006 following 18 years of experience managing railroads in Latin America and Africa. He directed the first major privatization of freight service in Argentina in 1989 and subsequently directed the first privatization of rail commuter service in Buenos Aires. He was one of the founders of Iowa Interstate Railroad and previously directed operational planning for the Illinois Central (now CN). {A&P website}

OPERATIONS

Route miles
NYA operates out of Fresh Pond Yard in Queens, New York, where it interchanges with CSXT (much the largest) and PW (significant, but smaller). CSXT also moves traffic in haulage for CP.

Of the total of 263 route miles, NYA actually operates 218 jointly with the LIRR, and has the option to operate an additional 29 miles jointly with LIRR.
NYA operates 16 miles over lines owned by LIRR which has “islands” of freight-only tracks at Fresh Pond, between Fresh Pond and Flushing Avenue (the Bushwick branch), at Maspeth, and at Long Island City, in total about 4 route miles. Another freight-only line is Bay Ridge to the interchange with NYNJ.

Sharing track
Despite sharing track with LIRR, “we are running more day than night,” said Victor. “LIRR is a 24/7 operation; at night trains are deadheading up Island for refueling and so forth. We get the same interference 24/7.”

Nevertheless, NYA has “no complaints about the Long Island. They treat us well. We have even run freights at 5PM through Jamaica,” the busiest spot on the passenger system.

While NYA has no contractual penalties if it does interfere with freight operations, “our incentive is earning great cooperation” from LIRR.

Maintenance: no road failures
Keeping the locomotives maintained is key to safe operations. “We have had no road failures on the joint-use track for two years.” Victor tells the engine maintainers, “Don’t dispatch a locomotive if you have any doubt it can’t go.

“I have a very capable set of people. Safety is very important. The slightest error can cause a potential disaster,
with 750 passenger trains a day” on the system.

**Tonnage and horsepower**

In terms of train makeup, “I consider we have two railroads.” West of Jamaica “we run on tonnage because we don’t interfere with passenger service. If we make it up a hill, that’s a victory.”

East of Jamaica “we run on horsepower, to keep up with the passenger trains.” NYA uses a classification yard in Fresh Pond to make up and block eastbound trains in order. The trains have narrow windows to spot and pull cars, so having them ready to spot is key. Sometimes “we have to spot and pull with different trains.”

**Switch, other fees**

NYA pays a flat fee per switch per month. The list of operating spurs changes frequently, from passenger to mixed to freight only. At this point NYA is paying for about 60 switches. In all, NYA pays several million per year to LIRR.

To install a switch, LIRR charges cost for both materials and labor, multiples of what such a switch would cost on a freight line, and comparable to what Metro-North would charge [see 11#07B Connecticut].

**Unions**

The NYA workers are represented by the BLET, under the same general chair as the LIRR. NYA and the BLET have a tentative five-year agreement now out for ratification to the membership. Under it, workers earn about the same scale as other freight railroads.

**Positive Train Control**

Required for all joint freight-passenger lines, this Congressionally-mandated locomotive-control system will cost LIRR $35-$40 million for eastern Long Island. Because LIRR must use the most expensive version, that required for Amtrak on the Northeast Corridor, NYA must also equip its locomotives with the version.

Because of the limited number of passengers on the eastern end of the Island, LIRR is suggesting a strict temporal situation on those lines, which will obviate the need to install PTC there.

Paul Victor, by virtue of his experience with PTC in Panama where it was tested for from 2006 to 2008, has become the point person for the American Short Line and Regional Railroad Association on the issue and has testified before a Congressional committee.

**Current train control system**

LIRR requires NYA locomotives west of Ronkonkoma to use ASC (automatic speed control). NYA developed a system, Ultra-CAT, jointly with LIRR.

In addition, NYA locomotives must be configured to avoid the third rail, which provides the electricity to LIRR electric locomotives.

**TRAFFIC, CUSTOMERS**

**Carloads**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 (founding)</td>
<td>9,500</td>
</tr>
<tr>
<td>2010</td>
<td>22,242</td>
</tr>
</tbody>
</table>

**Customer density, customers**

NYA has about 70 customers, distributed among seven zones.
Zone 1 - west of Jamaica - 375 carloads per route mile. Here, where NYA operates without interference from LIRR, lie a significant portion of its customers.

Maspeth, Queens, on ‘Nichols Siding’, named after the Nichols Chemical Company once located there: Amersino Marketing Group, Southeast Produce, HDF Trading, Young Shing Trading, Dai Sing, Mon Chong Loong Trading, Boro Lumber and Timber, Weiner Crowley & Saint John, Feldman Lumber, Ferrara Lumber, Norampac.

Bushwick, Brooklyn: Western Beef Supermarkets, Manhattan Beer, David Rosen Bakery Supplies, Montebello Food, Miron Lumber, D&M Lumber, Bass Oil, Kings Material, Waste Management, Inter alia Global Tropical Fresh Fruit, T&C Tropical Products, Terminal Produce.


Zone 2 - Farmingdale to Ronkonkoma - 429 carloads per mile. The Greenport branch along the spine of Long Island produces most of the traffic east of Jamaica. LIRR passenger traffic on the Montauk branch, which runs along the south shore, and the Port Jefferson branch, which runs along the north shore, is significantly higher than the Greenport Branch. It serves inter alia Coastal Distribution, a C&D operation in Farmingdale.

Zone 3 - Ronkonkoma to Riverhead - 133 carloads per mile. This count should increase once the Brookhaven Rail Terminal [see other article] begins operations, and the Calverton Industrial Park in Riverhead opens.

Zone 4 - Central Branch - 212 carloads per mile. This short stretch of eight miles between Farmingdale and Babylon serves stone terminals (Nicolia Concrete Arriva Ready Mix in Babylon), plastic manufacturers (Amco Plastic Materials), and a C&D facility (One World Recycling in Babylon). It had 1,698 loads in 2010.

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**BRIDGE AND TUNNEL TOLLS HELP RAILROADS**

As pointed out by Andy Kaufman of Brookhaven Rail Terminal [see ??], as tolls in the region rise, the advantage of railroads becomes clearer. NYA’s Paul Victor noted that locating distribution facilities throughout the city can make sense due to the tolls [see article].

**New toll increases**

The Board of the Port Authority of New York and New Jersey on 18 August approved increases imposed in annual phases starting 18 September. E-Z pass rates for a five-axle truck during peak hours will rise from the current $40 to $50 on 18 September and an additional $10 a year until reaching $90 at the end of 2015. Drivers paying tolls in cash will pay a surcharge of $3 per axle.

**Opposition**

American Trucking Association President and CEO Bill Graves said in a draft of a letter to the governors of New York and New Jersey that the ‘a majority of new revenues will subsidize projects with no benefit to those paying the tolls...[T]his increase will primarily pay for the authority's other operations, notably the reconstruction of the World Trade Center.’

The higher tolls, combined with other proposed increases along the I-95 corridor, would raise tolls for trucks hauling goods from Baltimore to Manhattan from the current $114.25 to $209.25 in three years. Graves said the tolls are far higher than what five-axle trucks pay at other bridges. For instance five-axle trucks pay $18 at San Francisco-Oakland Bay Bridge; $24 at the Golden Gate Bridge; and $25 at the Delaware Memorial Bridge.

‘The New York City area is already the most expensive region for trucking companies to operate in.’ The average five-axle tractor-semi trailer also pays more than $9,000 in New York state highway user fees annually, the second highest in the country, and $3,412 per year in New Jersey. {Joseph Bonney in Journal of Commerce 25.Aug.11}
Zone 5 - Jamaica-Farmingdale - 10 carloads per mile. While NYA does have customers in this stretch, serving them is very difficult because the majority of all LIRR trains operates here. NYA does have in Hicksville brick manufacturer State Materials, Eastern Fence (moving to Calverton), and Consolidated Edison.

Zone 6&7 - Port Jefferson Branch (33 miles) and Montauk Branch (85 miles). Traffic is much lighter on these two. {NYA customer listing on Anacostia and Pacific website; Victor presentation, ‘NYA Overview and Some Impacts of PTC’}

**Particular customers**

Manhattan Beer. NYA serves two locations (Bedford and Bushwick); the customer has a third location in the Bronx served by CSXT. The Class I is “doing a good job in the Bronx” and Victor has heard neither Manhattan Beer nor any other company wishing that he could serve them.

Why three locations? New York City is difficult, said Victor. “Fifteen miles here is the same as 100 miles elsewhere,” both in terms of congestion, and also in terms of tolls [see box].

Riverhead. West of Riverhead NYA has major customer Paraco Gas. In winter it sometimes gets two switches per day.

Farther west, the Town of Riverhead is opening an industrial park on a former airfield. Eastern Fence, now in Hicksville, will move there.

Stone to Long Island. Since CP ceased its trackage rights train, the stone from upstate New York “has dropped to zero,” Victor said. “It was 2000 carloads a year to Holtsville.” Stone is still moving to Holtsville, but not by rail.

When Brookhaven Rail Terminal restarts [see separate article], “we have the capacity” embedded in the operation. “We ran 30-40 cars to Prima in Holtsville all the time.”

**INTERCHANGES**

**CSXT (CP) and PW**

Since CSXT has started hauling cars for CP in December [see 10#11B], NYA interchanges physically at Fresh Pond with only two railroads: CSXT and PW. The drop in stone from upstate New York has meant that the CP traffic has dropped to almost nothing. CSXT far exceeds the PW traffic, which because it is limited to stone is only seasonal.

**Cross-Harbor (NS)**

NYA interchanges in Bay Ridge with the New York New Jersey Railroad (formerly the New York Cross Harbor - NYCH), now owned by the Port Authority of New York and New Jersey. From Fresh Pond to the interchange is 12 miles. NYA does some paper interchange traffic with NS, but total traffic comes to only about 75 cars a month, Victor said. “We have some service problems, but those would go away with more traffic.”

While the Port Authority can and will invest more capital [see 09#01A], price remains a barrier for the NYA-NS routing. The Cross Harbor provides the best access to the mid-South for Long Island, but the traffic must deal with the two intermediate carriers: the Cross Harbor and then Conrail, the CSXT-NS joint operation in northern New Jersey.

If NYA could receive “a full train blocked from Allentown or wherever” which Conrail could deliver direct to the Cross-Harbor float bridge in Jersey City. If less than a full train, much more switching, and therefore more money, is required.

**Tunnel from New Jersey?**

The proposal backed by US Representative Jerrold Nadler remains [see 09#01B], said Victor, “but it won’t happen in the short term.” The tunnel would obviate the need for the rail ferry, but well before the freight tunnel more
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commuter tunnels under the harbor should happen. {ANR&P interview and materials from Victor}

PAS-NS: MECHANICVILLE UPDATE*
17 August, Mechanicville. **NS CONDUCTED A TOUR OF THE FACILITY HERE** for local, state, and federal officials. [See Regional for PAS-NS inspection train.]

Construction on four buildings is expected to get under way this autumn, said Steve Watts, chair of the Halfmoon planning board. The project, named the ‘ Capital District Intermodal and Automotive Facility’, should be complete by early 2012, said Rudy Husband, NS spokesperson. [In June 2010, Husband said NS hoped to have some functions operational by the end of that year. See 10#06B] {Glenn Griffith in The Saratogian 18.Aug.11}

Jobs on offer
‘If you are interested in being hired, you can check in a couple of months on the company website: www.nscorp.com.’ {Beth Wurtman in WNYT 17.Aug.11}

But the *Journal of Commerce* reported that Class Is trimmed 424 jobs from mid-June to mid-July, the second overall cutback in 2011. {18.Aug.11}

Other New York barrier
Intermodal traffic from Chicago on NS faces a slow order at the Genesee Trestle, a 245-foot high span west of Hornell, New York, the earliest parts of which date from 1875. The condition requires 10 miles per hour.

NYSDOT spokesperson Carol Breen said Canadian Pacific and Norfolk Southern together will pay at least half of the $35-$40 million to replace it. The department is seeking additional sources of funding after a federal application was turned down. {Eric Anderson in Albany Times Union 11.Aug.11}

NYA: BRT STARTUP NOT YET*
18 August, Fresh Pond. **NYA HAS “NOTHING IN THE PIPELINE” FOR THE BROOKHAVEN RAIL TERMINAL**, said Tom Egan, who is serving as NYA’s chief commercial officer. “We are working closely with US Rail of New York (USR-NY), but there are no cars billed to BRT as of yet. We are hoping to see it soon.” On 5 August, BRT’s Andy Kaufman said he planned to open the rail terminal in August [see 11#07B].

Egan added that BRT, like the future rail-accessed industrial park in Calverton, will ‘provide significant industrial development opportunities for potential rail customers on Long Island. We look forward to growing business with them, and see them as filling a gap in the rail space.’

NYA did move the JOGX cars loaded with stone from the Calverton spur [see 11#07B] to BRT on 17 August, presumably for more ballasting. Paul Victor, NYA president, said they were there all winter. When empty, the JOGX cars will return to CP and, hoped Victor, ‘reloaded and then return[ed] to’ BRT.

No permission yet on own locomotives

Yaphank, NY. Brookhaven Rail Terminal unloading tracks, showing the depth of the excavation and the two undertrack unloading spots. {Courtesy Bill Keough and US Rail}
Victor noted he has not discussed BRT’s proposal to use its own locomotives to move stone from Fresh Pond to Yaphank [see 11#07B]. Nor had Egan: “We have had no discussions to work toward that sort of goal.”

Both underscored the fact that to operate west of Ronkonkoma where the LIRR operates using a third rail, the locomotives must be properly equipped. Egan said that the BRT locomotives he has seen are not so equipped.

Stone operation will happen
Ted Mills, USR-NY president and a spokesperson for the group of companies partnering on BRT, said the use of BRT locomotives would ‘certainly happen’, but “probably not until next year.”

Discussions between BRT and NYA are ongoing. “We will have a grand opening in the autumn. We’re very bullish on the activity, and we are going to make it happen.”

MAINE

NNEPRA LAYOVER**
22 August, Portland. NNEPRA VOTED TO BUILD THE LAYOVER FACILITY IN THE FORMER PAN AM YARD, confirming the consultant selection announced the previous week. {Beth Brogan in Brunswick Times Record 24.Aug.11}

The recommendation
Consultant Parsons Brinckerhoff recommended to NNEPRA the same site as initially selected, after looking at two other sites, one farther west in an industrial park, and one near Cook's Corner, about three miles east of the station. Jan Okolowicz, an engineer who led the review of the sites, said the cost of locating near the industrial park was a concern because the rail authority, which is using a $5 million federal grant to pay for the facility, would have to piece together six parcels from five owners to secure the site. He also said the site contains wetlands, and construction could disturb wildlife habitat.

The Cook's Corner site is probably more suitable than the industrial park location, Okolowicz said, but Amtrak estimated up to 45 minutes would be needed to move trains between the station and that site, reducing the amount of time they can be worked on. Also the route would pass over several grade crossings, which Amtrak tries to avoid.

Tests at the Pan Am yard site concluded that the engines would not violate air quality standards for the area, Okolowicz said. Noise and vibration could be mitigated by insulating the layover building.

Freight repairs too?
State Senator Stan Gerzofsky, D-Brunswick, said he wants to hear why the consultants reached the conclusion they did and wants the rail authority to be open to alternatives. “I want to be able to see their justification for being the best site.”

He would like the authority to consider a larger facility, on a different site, where more extensive repairs could be done for both passenger and freight trains. “This is an opportunity we have” for a facility that could produce more jobs, instead of simply shifting work from Portland to Brunswick, he said.

Lawsuit without merit
NNEPRA Executive Director Patricia Quinn said a lawsuit by neighbors will soon “go away.” The authority sought and received a zoning variance for a building in the Pan Am yard, but learned later that the town doesn't have the authority to review the location of train facilities. The authority never filed the variance, so there's no standing for the neighbors to file a lawsuit challenging it, she said. {Edward Murphy in Portland Press Herald 18.Aug.11}

PAN AM: PAPER MILL*
18 August, Rumford. **NEWPAGE CORPORATION COULD FILE FOR BANKRUPTCY**, according to its quarterly report filed this week with the U.S. Securities and Exchange Commission. NewPage has hired advisers ‘to assist us in exploring various restructuring alternatives and [we] are engaged in discussions with various stakeholders to address our ongoing capital needs.’

As of 30 June, the company’s current liabilities exceed its assets by $2.5 billion, and it reported a net income loss of $220 million.


In March, NewPage announced efforts to sell its cogeneration energy assets at the mill through its subsidiary, Rumford Paper Company, to New York-based ReEnergy Holdings LLC for $61 million. The deal would add capital, but its future is uncertain, since ‘certain conditions to closing the transaction may not be satisfied,’ NewPage said in its report. {news staff of *MaineBiz* 18.Aug.11}

**Rail impact**

NewPage generates a significant amount of traffic for Pan Am, which runs a daily train from Rigby Yard to Rumford, serving Verso Paper’s mill in Jay enroute. {editor}

**MAINE: ROAD SALT**

16 August, Augusta. **MDOT RENEWED ALL SALT CONTRACTS FOR ANOTHER YEAR**, said Terry Demerchant, the contract officer. [See 10#09B for last year’s contracts.] {ANR&P discussion 25.Aug.11}

**MASSACHUSETTS**

**MC: CHANGING OF THE GUARD**

17 August, Hyannis. **JOHN KENNEDY AND DAN WAHLE HAVE LEFT MASSACHUSETTS COASTAL RAILROAD**. at a meeting of the board of directors this day, Kennedy and Wahle were removed, and John Delli Priscoli was hired as chief executive officer, according to an e-mail from Chris Podgurski, an MC founder and now president.

In 2007, Kennedy, Chris Podgurski, and others formed the Massachusetts Coastal and successfully bid on the MassDOT lines on the Cape, near New Bedford, and at Taunton [see 07#09B]. The 2007 announcement stated that both MC and Cape Cod Central were owned by Cape Rail, which were owned and operated by John F. Kennedy, chairman and chief executive officer; Andrew J. Reardon, chief financial officer and treasurer; Christopher Podgurski, vice-president and chief mechanical officer, and Ted Michon, executive vice-president. Andrew Eldredge of Barnstable would become superintendent of the lines. [Michon updated this account to say that he had not served as executive vice-president for “several years.” However, he declined to comment on the changes at this point. He will continue to consult for other clients. {ANR&P discussion 25.Aug.11}]}
NORTH EAST ASSOCIATION OF RAIL SHIPPERS  
October 12 thru October 14, 2011 - The Nittany Lion Inn, State College, PA  
THEME: “Merchandise Rail Freight in the Northeast: A Rags-to-Riches Dichotomy?”  
169th Meeting Agenda

WEDNESDAY, OCTOBER 12TH, 2011

NOON  GOLF – SHOTGUN START  MARriott - TOFTREEs
4:00 P.M.  REGISTRATION OPENS  NITTANY LION INN
6:00 P.M.  NETWORKING RECEPTION  NITTANY LION INN
7:00 P.M.  DINNER  NITTANY LION INN

THURSDAY, OCTOBER 13TH, 2011

7:30 A.M.  REGISTRATION RE-OPENS  NITTany LION INN
7:50 A.M.  SAFETY BRIEFING  NITTANY LION INN
8:00 A.M.  PRESIDENT’S OPENING REMARKS  DANA BURLEYGH  
7:30 A.M.  SENIOR SUPPLY CHAIN MANAGER, SCHNEIDER LOGISTICS  
8:15 A.M.  EXECUTIVE DIRECTOR’S OPENING REMARKS  JOE GEARIN  
8:30 A.M.  RAILROADS & THE CHANGING FACE OF SUPPLY CHAIN  
7:00 A.M.  PROFESSOR OF SUPPLY CHAIN, PENN STATE  
8:45 A/M.  THE SHIPPERS PERSPECTIVE  KEVIN ACKER  
8:45 A/M.  MODERATOR: PROFESSOR EMERITUS OF SUPPLY CHAIN MANAGEMENT, PENN STATE  
9:00 A.M.  MANAGER, PURCHASING, DEL MONTE  
9:15 A.M.  VICE PRESIDENT, SALES AND DISTRIBUTION, GRAYMONT (PA) INC.  
10:00 A.M.  BREAK  
10:15 A.M.  RAIL MARKETING PRESENTATION  DR. PETER SWAN  
NOON  PROFESSOR OF SUPPLY CHAIN, PENN STATE  
LUNCH & FINANCIAL PRESENTATION  ANTHONY HATCH  
DIRECTOR, DAHLMAN ROSE & COMPANY  JASON SEIDL
1:30 P.M.  SHORTLINE PANEL  RICHARD D. ROBEY  
1:30 P.M.  MODERATOR: CHAIRMAN, NORTH SHORE RAILROADS  
1:35 P.M.  PRESIDENT, THE EVERETT RAILROAD  
1:45 P.M.  PRESIDENT, READING AND NORTHERN RAILROAD  
2:00 P.M.  VICE PRESIDENT, SOUTHWEST PENNSYLVANIA RAILROAD  
3:00 P.M.  TOUR AND RECEPTION, G.O. HAWBAKER LIMESTONE QUARRY & RAIL TRANSLOAD  
HOST: EXECUTIVE VICE PRESIDENT, G.O. HAWBAKER  
7:00 P.M.  DINNER & GOLF AWARDS/RAFFLE  NITTANY LION INN

FRIDAY, OCTOBER 14TH, 2011

8:00 A.M.  PRESIDENT’S OPENING REMARKS AND ANNOUNCEMENTS  SCOTT McCALLA  
8:30 A.M.  THE MARCELLUS SHALE  T ODD HUNTER  
8:35 A.M.  PART 1: THE DOWN LOW ON THE MARCELLUS SHALE  
9:00 A.M.  CO-DIRECTOR, PENN STATE MARCELLUS CENTER FOR OUTREACH AND RESEARCH  
9:30 A.M.  PART 2: A DRILLER’S PERSPECTIVE  DOUG KUNTZ  
10:15 A.M.  PART 3: IMPACT ON THE NORTHEAST’S ECONOMY  
11:00 A.M.  PRESIDENT, PROFESSIONAL LOGISTICS GROUP  TO BE ANNOUNCED  
11:45 A.M.  CLOSING REMARKS/ATTENDEE FEEDBACK/ $250.00 WM. J. DONOVAN MEMORIAL DRAWING
Text of Podgurski e-mail

To all members of the Cape Rail community –

It has been a tumultuous week for both Mass Coastal and Cape Cod Central Railroads in that there have been significant changes in both management and ownership of the parent company. While I will not address the process or its timeline in this email, please know that in the near future more specific details will be discussed in open meetings with employees and associates of Cape Rail. For the moment, here are the bullets:

CURRENT EVENTS

- On Wednesday 17 August 2011, at a duly authorized and legal meeting of the Board of Directors, John Delli Prisco was named chief executive officer, P. Christopher Podgurski was named president, chief operating officer, and chair of the board, Andrew Reardon was appointed treasurer [as in 2007-editor], and John Pearson was appointed vice-president, chief financial officer, and secretary.

- As of Wednesday 17 August 2011, John F. Kennedy, Dan Wahle and Ted Michon are no longer associated with Cape Rail or its affiliates.

- Also on Wednesday 17 August, Gina Kennedy-Doherty and several CCCR associates left the Company.

MOVING FORWARD

While there are elements of the reorganization that have yet to play out, the fundamentals are these:

- Mass Coastal Railroad will continue to operate in every was as before, with the likelihood of significant development to come. While limited personnel changes are possible, operating crews will not see changes to either schedule or job descriptions in the immediate future.

- Cape Cod Central Railroad will continue to operate its published schedule, and will honor every existing reservation and group contract. As with Mass Coastal, while limited personnel changes are possible, operating crews will not see changes to either schedule or job descriptions in the immediate future. Cape Cod Central will, however have a mandate to achieve a “break-even” bottom line for the remainder of the season.

- Management of the Cape Cod Central will accrue to Cape Rail General Superintendent Jonathan Babbitt, who will continue to fulfill his responsibilities with Mass Coastal.

- Eric Ciborowski will return in his role as chief mechanical officer

- Meghan Timcke will join the Mass Coastal team to head up sales and marketing.

- The combined Sales, Commercial Property Development, and Operational resources of the Grafton and Upton Railroad and Cape Rail Inc. will certainly achieve a new paradigm in…New England.

Again, I realize that rumors have been rife, and a great deal of misinformation has been circulating over the past several weeks. Please feel free to communicate with me, John Pearson, or Jono Babbitt with questions or concerns you may have. In the meantime, know that Cape Rail has a bright and strong future.

Thank you

P. Christopher Podgurski
President and Chief Operating Officer
Massachusetts Coastal Railroad
3065 Cranberry Highway
E. Wareham, MA 02538
More on cooperation with the GU
On 25 August, Jono Babbitt, general superintendent, declined to comment on the changeover itself. He did explain that MC would continue treat its three track sections “as one operation”: Cape, South Coast, and Taunton. GU will remain a separate company with its own operations.

Some sharing of resources is expected because John Delli Priscoli is “one of two owners” of MC, and owner of GU, perhaps in car repair and motive power.

Meghan Timcke will handle sales and marketing for MC but not for GU. [Indeed, the GU website lists Eric Moffett’s phone number for marketing inquiries. 10#10A]

Bobbitt emphasizes that MC will “continue to serve the vibrant southeast area of Massachusetts.” {ANR&P discussion}

Timcke worked in the region for CSXT until 2004 as account manager for Connecticut and New York [see 04#04A]. She subsequently worked for Pan Am for a period. {editor}

PAR: ABANDONMENT WATERTOWN
15 August, DC. THE RAILROAD FILED TO ABANDON THE REST OF THE WATERTOWN BRANCH. The line runs from milepost 4.28 in Cambridge to milepost 6.0 in Watertown. The middle section was abandoned in 1960 and the western part in 200.

Most of the track over which Pan Am operates its freight service in the Boston area is owned by the MBTA. Not so this stub, which was retained by then Boston and Maine Corporation in 1976 when it sold most of its commuter rail lines to the MBTA.

The filing indicated that no traffic had moved on the line for the past two years. {STB website, filings page, Docket Nos.AB 1083X, AB 1084X} Pan Am abandoned the western end of the Watertown Branch in 2000 [see 00#08] when it had two active customers: Americold and Sterritt Lumber, albeit only around 100 carloads a year.

Newly Weds, the customer
Newly Weds Foods, the customer at the end of the eastern part of the branch, continued for years to seek direct service, but then began to rely on truck and on the transload in Beacon Park in Allston [see 04#07B, 08#07A, 09#12A].

In 2005 Chris Podgurski [see MC article] made an effort to restore freight service, but fell short. {e-mail to ANR&P 2005}

NEW HAMPSHIRE

MBRX v ST: NO MEDIATION
24 August, Concord. JUDGE JOHN BARBADORO DENIED THE MBRX MOTION FOR MEDIATION, filed in July [see 11#07B]. {US District Court for New Hampshire website, docket no. 10-cv-264}

Next step
MBRX will file its response to ST’s motion for summary judgement, the motion mentioned by the judge. [See 11#07B.]

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VERMONT

VRS: ETHAN ALLEN TRACKS*
10 August, Whitehall-Rutland. VRS HAS MADE TRACK IMPROVEMENTS permitting the Ethan Allen to operate 10 minutes faster, and showed off the track speed to various state and local officials on an office-car special this day.

VRS is spending $750,000 of its funds; NYSDOT is investing an additional $2.5 million over two years. The work involves replacing 12,200 ties and surfacing 8 miles, plus rebuilding eight grade crossings. By October, 18 minutes will be removed from the schedule; further reductions will come from next summer’s work in New York.

Five miles of jointed rail remains on the route, limiting Amtrak to 30 miles per hour in that section. When the line was upgraded for restoration of passenger service in 1996, that section was not done. VRS is asking the state to fund the work now. {VRS press release}

MARITIMES

CBNS: LOSS OF CUSTOMER
22 August. Port Hawkesbury. NEWPAGE ANNOUNCED AN IMMEDIATE SHUTDOWN OF BOTH PAPER LINES, putting one thousand people out of work. More in a future issue.

[See Maine for NewPage trouble there.]

HALIFAX: CUSTOMER*
9 August. U.S. RETAIL GIANT TARGET IS MOVING INTO CANADA AND THE PORT OF HALIFAX IS POSITIONING ITSELF TO BE A POINT OF ENTRY for some of the company’s wide variety of imports. Target purchased over 200 leases of Zellers stores from Hudson’s Bay Co. and will open 105 Target outlets in Canada starting in 2013. Seventy of those stores will be located in Ontario, Quebec and Atlantic Canada. {CBC News 5.May.11}

Halterm in mix
Ashley Dinning, president of Southend terminal operator Halterm, confirmed Target executives had toured the port and its facilities. “We had very good discussions and just as an aside one of the senior people of Target who was here has had experience with my terminal in India in my previous days,” said Dinning who was chief commercial officer for APM Terminals in Port Pipavav, India, before coming to Halifax earlier this year. “It is still early but I can assure you Halterm is doing everything it can to make Halifax as attractive as possible to Target” for its imports from Vietnam and India. {discussion with ANR&P correspondent Tom Peters 9.Aug.11}

Early in the process
Target’s Sarah van Nevel said it is still very early in the process and Target has not decided how to bring in products for its Canadian stores. The company directly imports approximately 30% of its products and continually evaluates a mix of countries from which it sources products. {e-mail to Peters 4.Aug.11}

Halifax Port Authority involved
HPA’s George Malec, vice president operations and business development, said HPA staff visited Target headquarters in Minneapolis. Target staff visited Halifax for a presentation and port tour. Malec noted Target competitor Walmart began using Halifax several years ago to supply its Eastern Canada stores when port congestion became an issue on the West Coast. {allNovaScotia.com 28.July.11}
RAIL SHIPPERS

Brookhaven Rail Terminal (NYA, New York) Not yet.
Manhattan Beer (NYA, CSXT, New York) 3 sites.
Newly Weds Foods (ST, Maine) ST abandoning.
NewPage (CBNS, Nova Scotia) Suspended ops.
(PAR, Maine) May suspend ops.
Described in this issue.
Our Directory of Rail Freight Facilities in New England has more information on the companies denoted with their directory number.

PEOPLE

John Kennedy, Ted Michon, and Dan Wahle left MC. Megan Timcke and John Pearson joined the company. [See Massachusetts]
Connecticut Governor Dannel Malloy appointed James Redeker commissioner of the Connecticut Department of Transportation. Redeker has been serving as interim commissioner since March.

Advertisement

FOR SHIPPERS:
Current services include distribution, cross-dock, and side-track leasing

Storage: four roofed areas with a total of 32,000SF, plus 10,000SF enclosed.

Cross-dock: CSXT service for all car types, 286,000 pounds. Up to 20 car spots. Trackmobile switching.

Distribution: Flat-bed services within a 300-mile radius by affiliate Ray’s Transportation, Inc.

Side-track leasing: Up to 20 car spots.

Located 60 miles north of New York City.

mailing address: 42 Argenio Drive, New Windsor, NY 12553

Contact: Diane Stackhouse
Phone: 845-565-7210 ext.11
dianes@raystransportation.com (or)
diane@eastcoastrailroadservices.com

FOR RAILROADS:
Current services include distribution, tie-plating, & recycling

Removal, reuse, and disposal of track materials.

New track materials warehoused, repackaged, palletized, and delivered.

Pre-plating of ties, and lease of proprietary tie-plating machine.

Location info on Shipcsx.com
CSX-served at Ray’s Transportation, 55 Windsor Highway (Rt.32), New Windsor, NY.
**Atlantic Northeast Rails & Ports**

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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).

Readers building a personal archive of the newsletter should discard the e-bulletins. All subscribers have access to the newsletter archive on the web, via password, at www.atlanticnortheast.com. If you do not have a password, merely request one from me.

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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 unto itself.’

E-ISSUE