**NEW YORK**

D&H/CSXT: Amtrak lease of track should not affect upcoming stone moves.* Map.
CSXT/Amtrak: Host railroad agreement.

FGLK: Solvay Yard may operate 24 October.*
NYOG: Progress with Ogdensburg Authority.*

[No report.]

**QUEBEC**

[No report.]

**MASSACHUSETTS**

MBTA-PAS: ConnRiver work to begin in 2012.

PAS: Mt.Tom may be done operating.*

PVRR: No interest in transloading for Mt.Tom.*

PVRR: Traffic for Lowe’s may drop.*

North Brookfield: Choosing logging contractor.*

Pan Am: Tighe opens on 1 November.*

**NEW HAMPSHIRE**

MBR v Pan Am: Trial postponed, but not depositions of the two Finks.**

Pan Am: Ciment Quebec likes customer service. *

**RHODE ISLAND**

Providence: Sims to build export scrap terminal.*

[No report.]

**MARITIMES**

CN/Halifax: Detroit to provide 200,00 TEUs?

**VERMONT**

A cross-reference to companies mentioned here.

People, Positions, Events


**EDITORIAL**

A fantasy NBSR-Pan Am deal.

From the Publisher

NEARS: thank you!

The combination of information-rich seminars, networking, a visit to an operating rail-served quarry, and a morning on Marcellus shale (which I missed) earns the organizers, once again, accolades.

Chop Hardenbergh

Next formal issue: 8 November

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REGIONAL

MMA: AT THE RIGHT PRICE*
17 October, Chicago. IF SOMEONE OFFERED A SUBSTANTIAL PRICE, Rail World would sell the MMA, according to Ed Burkhardt. He was amplifying his 9 September statement, where he wrote:

“MMA is being managed for the long-term, and with the reopening of the Katahdin mills [see 11#09A], things are looking up. But following the dictum that “everything we have is for sale…..at a price,” we are considering our options. If any of these organizations want to offer us a “knock-out price,” we’d be happy to have their offer! But this is nothing new, and certainly no decisions have been made. Beyond that, there is nothing to report.’ {e-mail to ANR&P}

Interest from three parties
Sources at NEARS (the North East Association of Rail Shippers, meeting at State College, Pennsylvania) confirmed that MMA has talked to three parties. {ANR&P interviews 13-14.Oct.11}

Further confirmation came from a former MMA official, who wrote that the three parties were RailAmerica, Patriot Rail, and a group headed by or sponsored by Mark Rosner.*

Further, Genesee & Wyoming, SLR parent, was asked to bid but declined. {e-mail to ANR&P 11.Oct.11}

*Rosner worked for Ed Burkhardt as vice-president of operations at Rail World, Burkhardt said, “some years ago.” He left to work for BNSF Railway, then Macquarie, and per LinkedIn is now senior operating partner at Stonepeak Infrastructure Partners, and principal at JNK Associates Ltd. Messages left at both firms seeking comment were not returned.

The Moosehead subdivision would remain
On 17 October, Burkhardt said even if the NBSR-Pan Am deal [see Editorial] came to pass, MMA would still run traffic on the Moosehead subdivision between Brownville Junction and Megantic. “In general our studies show that overhead traffic on that line is not readily subject to competition. For example, the large movement of autos to Saint John is CP traffic, normally routed through Montreal. We have a very strong relationship with CP, we are its outlet to the Atlantic provinces.”

A wood move with NBSR and Pan Am
Asked about the rumor of the deal between Pan Am and NBSR [see Editorial], Burkhardt said an Irving [MNR-NBSR] move of Aroostook County logs and chips to paper mills served by Pan Am made sense. “Irving would get a return” on their MNR investment. “We have told them that anything they want to do in that regard we would support.” {ANR&P discussion}

NEW YORK

D&H/CSXT: AMTRAK DEAL*
14 October, Los Angeles. AMTRAK WILL LEASE THE CSXT LINE BETWEEN POUGHKEEPSIE AND SCHENECTADY, officials at a rail passenger confab here said. [See map.]

A CSXT spokesperson provided further details on 17 October, though much information has yet to be released. The deal will happen in early 2012, and will give Amtrak control of the track operation, maintenance, and capital improvements. It runs 28 trains a day on the 100-mile stretch, while CSXT runs five or fewer.

The deal will ease the process of installing a second track between Albany and Schenectady, a project which was recently awarded federal funds, as well as the fourth track project at the Rensselaer station to ease congestion there [see article below]. {Eric Anderson in Albany Times Union 17.Oct.11} [More in a future issue]

Freight rail impact
During 2011, while waiting for the opening of the Brookhaven Rail Terminal [see 11#09B], the Jointa Galusha quarries (served by the D&H) railed little stone to Long Island, unlike previous years [see 10#07B]. In 2012, according to Tammy Crawford, Jointa’s logistics manager, the company will resume moving product to Long Island. {ANR&P interview at NEARS 13.Oct.11}

One hopes that the Amtrak deal will not interfere with the current smooth operation of D&H-CSXT-NYA. {editor}
CSXT/AMTRAK: AN AGREEMENT

23 September, Rensselaer. A FINAL AGREEMENT ON ALBANY-AREA WORK WAS REACHED BETWEEN AMTRAK AND HOST RAILROAD CSXT. The Empire Corridor Capacity Improvements, for which USDOT announced $58 million in May [see 11#05A], will consist of:

- Construction of a second track between Albany and Schenectady to eliminate delays of up to half an hour when trains must wait for others to clear the 17 miles of single track;
- A fourth track at the Albany-Rensselaer train station, which was part of the original station design but wasn’t constructed because two older stations first needed to be removed. That work was accomplished earlier this year;
- New platform and track layout at the Schenectady station, which also will be rebuilt;
- Burying signal wires along the tracks south of Rensselaer. The underground lines will help reduce signal outages, transportation officials said.

Platforms at the Albany-Rensselaer station will also be lengthened to accommodate longer trains.

But no agreement west of Schenectady

Bruce Becker, president of the Empire State Passengers Association said the agreements didn’t include any projects west of Schenectady. Of the Capital Region improvements, “none were in contention, as far as CSX is concerned,” Becker added.

The agreement was announced by U.S. Senator Chuck Schumer and US Representative Louise Slaughter (D-Rochester).

Agreements on other projects, including a third track for high-speed trains in western New York and other improvements [see 11#07B], still elude the parties.
FGLK: NOTICE*  
7 October, DC. **THE STB ISSUED THE NOTICE OF EXEMPTION ON FGLK ASSUMING OPERATION OF CSXT’S SOLVAY YARD** [see 11#09A which includes map]. FGLK may consummate the deal and begin operation of the yard on 24 October, according to the Board. {STB website, decisions page, Docket No. FD 35545} 

NYOG: PROGRESS*  
5 October, Ogdensburg. **THE OGDENSBURG BRIDGE AND PORT AUTHORITY AGREED TO A SETTLEMENT WITH NYOG** at its board meeting this day. As part of their agreement, both parties have agreed to claim no fault in the matter. 

“We're very pleased that the resolution to the dispute is continuing,” said Executive Director Wade Davis. “We look forward to engaging the railway in the negotiation of agreement terms within 60 days.” 

“It is back to business as usual,” said Jerry Hebda, handling the matter as a consultant to VRS. “It pretty much has been since we had the verbal agreement with them last month. It is just a matter of the paperwork catching up, and that is finally starting to happen.” {Christopher Robbins in Ogdensburg Journal 7.Oct.11} 

MAINE  

MOUNTAIN DIVISION  
24 October, West Baldwin. **RAILCARS WITH WOOD PELLETS COULD MOVE TO PORTLAND**, if a plan of F.E.Wood comes to fruition. The project's investment bank, Fieldstone Private Capital Group Inc., must finalize the financing. The state must finish restoring the Mountain Division rail line between Windham and West Baldwin. And the company must confirm shipping partners and bulk storage in Portland, as well as clients in Europe. 

Manufacturing  
A plant on a site off Route 113, next to the Mountain Division, would have capacity to make 300,000 tons a year of wood pellets. Railcars would receive about 210,000 tons, or about 2100 carloads, for export [assuming that the pellets will not cube out before they weigh out]. 

Use of rail  
MDOT, which owns the Mountain Division from Westbrook to the New Hampshire line, is replacing about five miles of track which ST lifted before it sold the right-of-way to the state [see 11#02B]. But to run freight from West Baldwin on a new track plus trail will require at least $10 million. 

[This does not include the interchange between the Mountain Division and ST in Westbrook, whence ST would rail the cars to Sprague. Like all interchanges, this will add additional cost. Alternatively, Wood could transload the pellets in Westbrook into trucks for the final few miles. Editor] 

State officials are considering an upcoming federal transportation grant application. The pellet mill could help justify the grant, using as many as 3,000 freight cars a year and putting enough traffic on the line to lease it to a private, short-line operator. “If the project moves forward, that makes the math work,” said Nate Moulton, MDOT rail administrator. 

Delayed rail service isn't a deal breaker, according to Anthony Wood, vice-president of F.E.Wood. Trucks could move the pellets, at least temporarily. But rail service would give the project an important competitive advantage. Rail freight uses less energy than trucks and creates less pollution, which is a key metric for the European utilities that must cut greenhouse gas emissions. “They put almost as high a value on that as on the price of the pellets,” Wood said. 

Ports  
Most pellet shipments leave for Europe from ports in the Southeast such as Savannah [see 11#08A Regional]. In the Northeast, only Maine ports are close enough to the wood supply and have adequate bulk-handling capabilities, according to **Biomass Power and Thermal**, an industry publication that learned of F.E. Wood's plans at a trade show in Pittsburgh last week. 

Maine’s three major ports, Portland, Searsport, and Eastport, have storage for bulk products such as wood pellets, said John Henshaw, executive director of the Maine Port Authority. Eastport now ships wood pulp to Europe and is expanding to handle wood fuels [see
In Portland, F.E. Wood is talking with Sprague, which operates the former Merrill Marine Terminal and has covered bulk storage on the waterfront. Officials at Sprague declined comment.

But David Perlman, managing director for Fieldstone Private Capital Group, was quoted at the trade show as saying the project would include development of a storage facility. Perlman couldn’t be reached for further comment. {Tux Turkel in Portland Press Herald 25.Oct.11}

**MNR/NBSR: POSITIVE REPORTS***
3 October, Saint John. **MAINE NORTHERN HAS GROWN THE TRAFFIC IN AROOSTOOK COUNTY**, said Ian Simpson, NBSR general manager (MNR is a subsidiary of NBSR). “We’ve had weeks recently where the volume is almost double what we expected, where the baseline was.”

Simpson credited “a consistent level of service” and a commitment to the traffic. “There’s a lot of fiber moving around the north [see MMA article]. It has a low value, but we appreciate it is important to shippers of fiber, and to the pulp and paper companies which receive it.

“We are finding ways to be effective, and we are rewarded with additional business.” {ANR&P discussion}

**TIRR: IRVING OFFERING?***
6 October, South Portland. **TURNER’S ISLAND WILL OPEN A RAIL-TRUCK TRANSLOAD**

![South Portland. The nearly-finished TIRR transload shed, showing the space next to the two-car track for trucks, and the catwalk. Beyond, a gondola for moving scrap metal, in the distance the crane to load gondolas, and the Casco Bay Bridge. {ANR&P}](attachment:attachment.png)
HERE, said Melody and Roger Hale, the principals of this terminal, during a tour for your editor. The Hale Family have reshaped this former terminus of the Eastern Railroad [see map in 11#09B] from a set of rails overgrown with sumac into a multipurpose facility.

Marine functions include ship construction; the Hales have built three barges for passenger transfer, located at the USS Constitution in Boston, the Statue of Liberty in New York, and Winthrop, Massachusetts. The pier also provides a fishing berth for a ship harvesting baitfish and a site for a marine construction company.

Rail-served scrap
The Hales lease space, and railcars, to P.K. Contracting of Randolph, Massachusetts. This company scrapers anything, and loads it into gondolas [see photo] for railing to scrap yards. Its newest project: moving the demolition debris from the rebuilding of Portland’s International Marine Terminal [see other article].

Inbound plate
During the past twelve months, Turner’s Island has received about 50 cars of steel plate, and pilings for construction projects along the Maine coast. The cargo moves by barge and truck to its final destination.

The transload
Roger Hale said he and his workers put together the building over the past three years, as time allowed from other projects. It will hold two tank cars, with enough containment capacity for the two cars plus 15%.

Using a flexible pipe, he can unload from the top (accessed via the catwalk) or the bottom of the tank cars, as needed. He will load directly into trucks inside the building, alongside the tank cars.

Hale mentioned products such as grease, vegetable oil, and biodiesel which could use the facility. “We’re looking for customers right now.”

Petroleum products loading rack
Between the terminal and Broadway, off a TIRR switch, lies a long-dormant loading rack usable, said Hale, “with minor upgrades.” The spur is owned by Global Petroleum.

The interchange
The terminal uses a trackmobile to switch, and to interchange with Pan Am Railways. TIRR has trackage rights as far as the wye at Rigby Yard, though often Pan Am will spot cars directly across Broadway for interchange.

The branch between Rigby and the terminal is owned by Pan Am, and then TIRR. \{ANR&P interview\}

Irving a possible customer
Bob Blanchard, sales director for Irving Oil in the United States, wrote on 11 October: ‘We are looking to be able to bring in biodiesel by rail into the South Portland area and Turner’s Island is part of that investigation.’

The deal would not be connected to a rumored expansion of the NBSR-Pan Am cooperation [see Editorial], he wrote, since ‘that is run by JD Irving and not Irving Oil.’ \{e-mail to ANR&P 11.Oct.11\}

PORTLAND: TERMINAL REBUILD*
12 October. THE MAINE PORT AUTHORITY HAS STARTED A YEAR-LONG, $5 MILLION RECONSTRUCTION PROJECT AT THE INTERNATIONAL MARINE TERMINAL. Reed & Reed, the Woolwich general contractor, began on 1 September and will finish by August 2012, said John Henshaw, executive director of the port authority.

A large part of the project consists of filling, grading and reinforcing a four-acre parking lot at the terminal—until two years ago also the home of the Scotia Prince ferry to Yarmouth, Nova Scotia—which will become additional container storage. A new port operations building will replace a trailer used by cargo operators for years.

Feeder update
Jack Humeniuk, representative of the local longshoremen's union and terminal manager, said the new feeder service [see 11#08B] exports forest products and imports goods for companies such as L.L Bean in Freeport and White Rock Distilleries in Lewiston. \{Kelley Bouchard in Portland Press Herald 12.Oct.11\}
PAN AM: CUSTOMER LOSS*
11 October, Bucksport. Verso will shut permanently its No. 2 coated groundwood paper machine on 23 October, it announced today. The mill currently runs four paper machines and has more than 700 employees. The Memphis-based company is also shutting down two paper machines at its Sartell, Minnesota mill.

Verso officials pointed to falling demand for coated groundwood papers, used in products such as magazines and catalogs. President and CEO Mike Jackson said shutting down the machine in Bucksport will match supply with demand.

At the same time, materials prices have continued to rise, driving up the operating costs, Jackson added. {AP in Portland Press Herald 12.Oct.11}

Rail impact
Bucksport, and Verso’s other mill in Jay, are served by Pan Am.

A pitch for Obama’s Jobs Act
FRA Administrator Joe Szabo attended, saying: “Investments in transportation and rail, like those in President Obama’s Jobs Act, are absolutely essential for job creation, economic development, and long-term economic competitiveness. These investments can’t wait. By the year 2050, our country’s population is expected to grow by more than 100 million people. If you think your inter-city commutes today are long and unpredictable, imagine what tomorrow’s going to look like if we don’t take action today.”

US Representative John Olver, Lieutenant-Governor Tim Murray, and MassDOT Secretary Richard Davey were among the dignitaries turning dirt. {Richie Davis in Daily Hampshire Gazette 22.Oct.11}

MBTA oversight
John Ray, MBTA deputy railroad administrator [see People], wrote on 24 October:

‘The MBTA’s Design and Construction group, due to their extensive rail construction experience, has been tasked with administering the entire construction effort [of the Knowledge Corridor] including work performed directly by Pan Am forces and also work performed by competitively selected contractors.

‘As a requirement to getting the Federal grant of $72.8 million, the Commonwealth had to guarantee that the rail line would be used and maintained for a period of 20 years. The MBTA will serve to ensure proper maintenance activities are undertaken to protect this significant investment and to confirm the commitments made to the FRA are met.

‘MBTA will have an limited oversight function and will not have direct maintenance responsibility.’ {e-mail to ANR&P}

The parties to the construction agreement include Pan Am Southern LLC (the owner of the track), and MassDOT. {MassDOT press release}

PAS: COAL MOVE DONE?*
17 October, Holyoke. Several reports indicate first light may not re-open its Mt. Tom generating station. This would affect not only PAS, which directly serves the plant, but also connecting roads NS and PW, which in

Massachusetts
MBTA-PAS: WORK NEXT YEAR
20 October, Greenfield. State, federal, and railroad officials turned shovels as a symbolic beginning of the work to rehab the PAS ConnRiver line so that the Vermonter can run directly from Springfield to Vermont [see 11#06B]. The Pan Am Railways Office Car train served as a photo backdrop.

However, actual work will not begin until May 2012, under the construction contract among Amtrak, PAS, and the MBTA, according to David Armstrong Fink, president of Pan Am Railways, and will take 18 months to finish. It will shave 25 minutes off the trip in Massachusetts.

Additional investment?
Fink said Pan Am, with 400 Massachusetts employees, is investing $150 million in upgrades to the east-west freight line because of the $73 million in federal passenger money invested in the Connecticut River line. [This is either a misstatement, or more probably a misunderstanding by the reporter. Editor]
the past have interchanged unit coal trains for Mt.Tom.

**Layoffs planned**
FirstLight Power Resources, a subsidiary of GDF Suez North America, plans to lay off half Mt.Tom’s 60-person staff including 16 or 17 employees from the 33-member unionized work force, according to Brian E. Kenney, business manager and financial secretary of the International Brotherhood of Electrical Workers Local 455 in Springfield.

**Not enough demand**
Kenney said First Light told him on 11 October that a low demand for electrical power in New England at the moment means the plant does not operate often enough to justify present staffing.

**Cheaper natural gas**
Coal is also a relatively expensive fuel compared with natural gas which is cleaner and is getting cheaper, said Clarence E. Kaye, a union maintenance mechanic at the plant. He estimated that the plant has been running only 25 percent of the time in recent months.

**Shutdown**
The plant is shut for eight weeks and will reopen in November. Kaye said he has spent the time cleaning and repairing equipment. He doubts the company would be paying him to do that if it planned to shut down Mt. Tom.

**Investment in the plant: pollution control**
Built in 1960, Mt. Tom has a generating capacity of 146MW. When operating, it burns about 1,200 tons of coal daily. From 2007 to 2009, First Light installed $55 million worth of air pollution-control equipment [see box in 09#09A]. In 2007, the plant was the second largest polluter in the state.

In July of 2011, First Light reached a settlement with the Massachusetts Attorney General’s Office and agreed to install air-monitoring equipment, comply with more stringent air-quality standards and hire an outside consultant to correct persistent air pollution problems at the plant. FirstLight also agreed to pay a $25,000 penalty to the Commonwealth and $70,000 for a program educating owners of old wood stoves and wood-fired boilers in the greater Holyoke area. {Jim Kinney in Springfield Republican 12.Oct.11}

**Trucking coal**
As in previous years, Mt.Tom is receiving trucked domestic coal delivered via CSXT to West Springfield. {e-mails to ANR&P from railroad officials and railfans}
It receives off-shore coal via Providence [see 09#09A, and photo in 05#06B].

**Other signs**
Drew Grande, an organizer with the Sierra Club of Massachusetts, said Mt.Tom had operated only 80 hours in the first six months of 2011. Moreover, the coalition working to close the plant, Action for a Healthy Holyoke!, learned that FirstLight had “pulled the permits” to repave the plant parking lot.

The asthma incidence in Holyoke is alarming: 24%, as opposed to 10% in the Commonwealth as a whole. The plant will face further restriction when EPA issues its
new coal-burning rules.

AHH! secured action by the Holyoke City Council on 17 October. It will form a Community Advisory Group that will conduct a study on potential future uses of the Mt. Tom site. {ANR&P discussion 18.Oct.11}

A wise avoidance by PVRR
Your editor asked Mike Rennie, PVRR general manager, whether trucking the coal from a point on the PVRR in Holyoke wouldn’t prove less expensive than trucking it from West Springfield. He responded:

‘When we looked at it six or seven years ago, we were thinking of using a bridge on our mainline to dump through and load truck from below. As most things, it got bogged down in political nonsense of who owned the abandoned road below the bridge, which never got resolved.

‘To [use that spot on the main line] today would not be possible, as there is too much traffic now on the line. As most of our lines [in Holyoke] are in the center of the city or near the river, there are environmental issues that stand in the way of us doing salt and coal.

‘Mt Tom has been reduced to a standby facility as it is very expensive to operate. To invest in infrastructure that may not have longevity is outside of our business strategy. Even salt is too low margin to fool much with, unless you already have a lot of it or can get very long contracts. Neither are common any more.

‘I have other designs on Holyoke and as they blossom a very robust operation will be evident.’ {e-mail to ANR&P 17.Oct.11}

PVRR: NO COAL TRANSLOADING*
THE RAILROAD HAS NO INTEREST IN TRANSLOADING COAL FOR MT. TOM [see PAS article].

PVRR: TRAFFIC REDUCTION?*
17 October, Westfield. **LOWE’S IS CLOSING SIX STORES IN NEW ENGLAND**, out of 20 nationwide, according to a company announcement. The New England stores: Biddeford ME, Ellsworth ME, N. Kingstown RI, Claremont NH, Hooksett NH, and Manchester NH. {Lowe’s website}

PVRR in 2008 was doing 1500 carloads a year for the Lowe’s distribution center on its line. [see 08#08B].

NORTH BROOKFIELD: MORE*
13 October, State College. **DAN BIGDA WILL CHOOSE A LOGGING CONTRACTOR TO CLEAR THE RIGHT OF WAY**, he said in an interview at NEARS, on 15 October. The line has trees with two-foot trunks growing in it, as it has seen no clearing since the 1960s.

He also said he had selected a track contractor but declined to provide the name. He plans to use GP-9s which he will either lease or buy.

Encroachment
Bigda agreed that encroachment on the line had occurred [see 11#09A]. However, the responsibility to remove the encroachments stayed with the Town of North Brookfield. “They told me that they would handle it.” {ANR&P interview}

PAN AM: MORE ON NEW CUSTOMER*
1 October. **TIGHE POSTED ON ITS WEBSITE AN ANNOUNCEMENT ABOUT THE RE-OPENING OF THE MONTVALE FACILITY.**

‘Tighe has been working actively with Pan Am Railways and Norfolk Southern to market the facility and already has several large shippers interested in utilizing the facility. ‘The high bay facility, with thirty-one truck shipping and receiving doors and twelve rail doors, is slated to officially open November 1, 2011. At 200,000 square feet, the distribution center will be one of the largest of its kind on the Pan Am Railways system.’ {Tighe website}

The MBTA operator MBCR issued the following on 14 October: ‘MBCR Bulletin Order No.9-38 Effective 10/17/11. Montvale Yard - New switch MP9.1 off No.2 Track in service providing access to former Montvale Yard.’ {MBTA}

On-site visitors report that significant upgrading of the tracks to the warehouse remains to be done. {NERAIL photo archive, George Kenson photo, 14.Oct.11}
NEW HAMPSHIRE

MBRX v PAN AM: UPDATE**

Trial date
On 12 October, Judge Barbadoro removed the scheduled trial from the November trial list. It will be rescheduled after he 'rules on the Motion for Summary Judgment.' Defendants filed a flurry of motions to reply to the MBRX objection to the motion for summary judgement at the beginning of October, so Barbadoro has had less than two weeks to consider the pleadings on the motion.

Deposition of Fink pere
This occurred on 21 October.

Deposition of Fink fils
On 11 October, Magistrate Judge Landya B. McCafferty denied Pan Am’s motion to keep Fink fils from a deposition [see 11#09B]. She ruled first, that ‘the motion is untimely. Defendants had notice on August 30, 2011, that the deposition was scheduled to occur on September 23, 2011. Three days after the deposition was scheduled to occur, defendants filed this motion for protective order. As defendants have failed to explain why the motion could not have been filed in advance of the deposition, the court denies the motion as untimely.

‘A second basis on which to deny the motion is its failure to include therein "a certification that the movant has in good faith conferred or attempted to confer" with plaintiff "in an effort to resolve the dispute without court action," as required under Fed. R. Civ. P. 26(c)(1). See also LR 7.1©. In light of the quickly approaching trial date, the deposition shall be scheduled forthwith.”

As a result of the ruling, Fink fils was scheduled for a deposition on 18 October. On 17 October [surprise, surprise! editor], Fink’s attorney Danielle Pacik notified MBRX that ‘there is a conflict...and we need to reschedule’ the deposition.

[No new date yet, said Leishman. {e-mail to ANR&P 26.Oct.11}]

Another attorney bites the dust
After offering to reschedule the Fink fils deposition, Pacik withdrew.

 Defendants hired the law firm of Hinkley, Allen, and Snyder to represent them in this action. On 7 June 2010, Christopher Carter entered an appearance. On 25 August, Michael Connolly of the same firm entered an appearance and apparently remains on the case. On 8 September James Ball entered an appearance. On 25 March 2011, James Ball withdrew, Kevin Verge entered his appearance. On 9 June 2011, Verge withdrew. On 1 August 2011, Danielle Pacik entered an appearance, then withdrew on 18 October. {Court website, case 10-cv-264}

PAN AM: SERVICE*
17 October, Bow. CIMENT QUEBEC HAS SEEN A MAJOR IMPROVEMENT IN PAN AM’S COMMITMENT TO SERVICE, said Tom O’Neill, manager of the cement transload here [see 10#09B].

‘After a shaky transition [see 10#09B], Pan Am seems to have a renewed commitment to customer service. This has been most apparent with the direct day to day contact that we have with them. Our agent is great to work with, and seems to do her best to meet our needs within the boundaries of her job. I have had more contact with customer service and account reps in the last six months than in the last ten years.’

Actual service
‘Overall actual service has only been fair though. I have not seen the vast improvement that I had hoped to see, but we are at least receiving service; I would estimate one to two times per week. Unfortunately, the last few weeks have been rough though. We have had to truck in a large quantity of cement as cars started bunching up and sitting in Deerfield. For the first time in our history, we closed out a day with less than one truckload in silos. We have since received a substantial block of cars, so thankfully that is behind us. I do not know if I can chalk this up to after-effects of Hurricane Irene or internal issues with Pan Am.

‘To date, they have not stationed a crew in Concord, and are serving us out of Nashua.’* {e-mail to ANR&P 17.Oct.11}
*Editor’s note: In 2010 [see 10#05A and 10#12A], the STB noted Pan Am’s promise to station a crew in Concord and operate on the line five days a week. Both O’Neill and Peter Leishman, MBRX owner, said that had not happened. {ANR&P discussions}

RHODE ISLAND

PROVIDENCE:
BEWARN, SCHNITZER*
7 October. SIMS METAL MANAGEMENT WILL CREATE A SCRAP EXPORT TERMINAL ON ALLENS AVENUE, using the Promet Marine Services property which it purchased this day. Sims Metal Management Limited, a publicly-traded company, has its roots in Australia and has more than 250 locations on five continents and more than 6,200 employees, the company said. Its North American Division and joint ventures are located in 21 states and employ more than 4,400.

Sims, which is also planning a $30-million scrap-handling facility in Johnston that would feed its new harbor site, wants to expand its operations through central Massachusetts into New Hampshire and Maine. Sims said it plans to make Promet its main export site for New England, serving its Connecticut facilities in Stamford, New Haven and North Haven.

The Promet site
Promet Marine Services, a 37-year-old shipyard visible from Route 95 that repairs everything from ocean-going ships to fishing boats, has more than nine acres, a
A 600-foot pier with out-of-service track and two deep-water berths. Two brothers, Joel and David Cohen, 76 and 73, owned and operated Promet.

Cohen said Sims liked the 40-foot-deep channel able to accommodate the 38,000- to 42,000-ton ships Sims is likely to use.

“Sims was looking for a deep channel and a place to expand their operation in New England,” said Cohen. He called Sims “a classic, top-level blue-collar type of business.”

Providence already exports a significant amount of scrap, and Cohen said “the tonnage is going to increase dramatically.”

Cohen said Sims plans to expand its buying area from Providence all the way up through central Massachusetts to Maine and New Hampshire. “It will be a very competitive marketplace,” he said.

Sims said it ‘intends to retain all Promet employees and welcomes them to the Sims Metal Management family. Additional personnel will be added regionally [as the company] executes on its growth plans for the New England region over the coming months.’ “We intend to add many more employees,” said Sims spokesman Daniel Strechay.

Schnitzer
That will provide competition to New England’s dominant metals recycler, Schnitzer Steel Industries, operating in Johnston and at the Port of Providence, and in the industry is said to be the dominant scrap recycler in New England.

American Metal Market, a trade publication, called Sims’ purchase of Promet ‘the second salvo in its battle with Schnitzer Steel Industries.’ The first came in the form of the disclosure by Johnston officials in late September that Sims planned to open a $30-million auto-recycling facility on land near the state Central Landfill. Sims plans to shred autos in Johnston and ship the scrap to the facility in Providence for overseas export, Joel Cohen said.

Cohen and Sims didn’t make the Promet price public, and Sims wouldn’t discuss its Johnston plans. {Bruce Landis in Providence Journal 12-Oct.11}

Provport comment
Bruce Waterson, chief of the ProvPort facility which houses the Schnitzer export terminal, wrote: ‘We have a solid working relationship with Schnitzer Steel Industries and believe there will be substantial growth in export operations at Provport.’

Provport is ‘working through the details of leasing Schnitzer some extra space.’ [See 11#01A.] {e-mail to ANR&P 12-Oct.11}

Rail service
PW serves directly Provport and the Schnitzer facility, said Frank Rogers, PW vice-president of marketing, and scrap is booming there. To serve Sims, it will need to reconstruct the track which runs down Allens Avenue, “not used for 20 years.” PW will explore the possibility, he said. {ANR&P interview}

MARITIMES

CN/HALIFAX: MO-TOWN?
21 October, Detroit. A DETROIT GROUP WANTS THE PORT OF HALIFAX TO BE ITS MARINE GATEWAY FOR INTERNATIONAL CARGO.

Michael Belzer, an economist, planner, and professor at Wayne State University and the key person behind the initiative, Great Lakes Global Freight Gateway, said:

“Right now our target is to see 400,000 international TEUs a year and I would like to see at least half or two-thirds of that go through Halifax.

“I am quite convinced that if we took the top importers and exporters here we could get three trains a week” moving to and from Halifax.”* {Michael Belzer in discussions with ANR&P correspondent Tom Peters 21-Oct.11}

* In 2010 Halifax terminals did 435,000 TEUs, of which about 70% moves by rail, or 300,000 TEUs. Daily, CN moves one inbound and one outbound train for Halifax, between 8,500 feet and 9,000 feet to move the 300,000. [See 11#06B.] Half the target 400,000 would put 200,000 TEUs on rails. Thus three additional trains a week in each direction is the right order of magnitude.
Reason for Halifax
Belzer said the idea to move international cargo from Detroit through Halifax has been around for a while but nothing has been actually done to promote the concept until recently. “We have been hard moving on this. We formed a group and developed an action plan at the behest of the state economic development authority.”

Belzer said the concept, however, is a complete “paradigm shift” for his region “because the whole notion of an inland port is really foreign (here). They know how to build stuff so the whole culture of the region is really smart about how to do that. But for a long time they have outsourced the shipments and they haven’t really thought about how that has been done. So I’m introducing a new language. It is a completely new way of thinking.”

Manufacturing centre
Belzer said his region has lots of manufacturing “and every railroad wants to be here because there is so much stuff getting shipped in and out and everyone in transportation wants to be here because they want to get a piece of this action. So the primary goal is to create the logistics capacity that is now latent.

“Rail lift here is a very small amount and the majority goes out by truck. Rail plays a role but it is more domestic North America. It is that kind of thinking, not global. There is global freight transportation but primarily it goes through less efficient corridors.”

Belzer expects the greatest amount of international cargo for his region now goes through the Port of New York and New Jersey but he didn’t know the actual percentage. He has container numbers for all international cargo but he wouldn’t divulge those, claiming “proprietary data.”

CN and Halifax vague
Belzer said the project has been discussed with both the Halifax Port Authority and CN and both have expressed interest.

But asked about it, CN’s Julie Senecal said only, “The initiative is just getting underway so it is too early to say more than CN continues to work closely with the Port of Halifax to market the Atlantic Gateway. As the only rail carrier with single line service to Detroit from all three coasts, we are confident shippers will find value using CN and its supply chain partners from Detroit cargo.’ {Senecal in an email to Peters 25.Oct.11}

Halifax declined further comment at this point. {HPA’s Elizabeth Moore in an email to Peters 19.Oct.11}

Next steps
Belzer said the group is now in the process of establishing the whole concept and getting the state on side and supportive.

“Southeast Michigan and southwest Ontario are the target zones. We are looking at getting these areas mobilized around it and then going out and selling it. Goods will be able to get to market faster, cheaper and more reliably through this corridor we think than any other corridor. We understand Halifax wants to be a port for the Great Lakes so Halifax is a critical hub through which things have to travel.” {Michael Belzer in discussions with ANR&P Tom Peters. 21.Oct.11}.

The Halifax Port Authority said it did not have any information on comparative costs of moving containers from the East Coast via rail inland to U.S. cities. However, a source from a major shipping line in Halifax said the cost of moving a 40-foot container from New York to Chicago, for example, would be approximately $600 and the cost of moving the container from Halifax to Chicago slightly less than $700. {discussion with Peters 18.Oct.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.
Ciment Quebec (ST, New Hampshire) Service same.
FirstLight (ST, Massachusetts) May close Mt.Tom.
Irving (TIRR, Maine) May use for biodiesel.
Lowe’s (PVRR, Massachusetts) Traffic down?
Sims Metal (PW, Rhode Island) May use rail.
Tighe (ST, Massachusetts) Opening 1 November.
Verso (ST, Maine) Shuts one paper machine.
F.E.Wood (?) (Maine) Pellets on Mountain Division?
**PEOPLE, EVENT**

John Ray recently became deputy rail administrator at the Massachusetts Department of Transportation. Previously he held both the title of director of railroad operations and senior director of operations contracted services. As senior director, he kept responsibility for Railroad Operations (commuter rail) and added the MBTA’s commuter boat and ferry services.

**EVENT: EASTERN MAINE DEVELOPMENT SEMINAR**

The Action Committee of 50, a Bangor based group which supports economic development in the region, will host a trade and logistics forum on 10 November at the Bangor Hilton Garden Inn. David Cole, former MDOT commissioner, said the meeting will focus on the freight, transportation, and logistical assets located along the Bangor to Searsport corridor, anchored by the Bangor transportation hub and Bangor International Airport to the north, and the Port of Searsport to the south, as well as the rail, highway, waterway, and other transportation assets serving eastern and northern Maine that feed into and interconnect through this hub and corridor, and will benefit by the better utilization and leveraging of these corridor assets.

The Port of Searsport is defined to include Mack Point, the 330 acres of Sears Island that is designated for development, and other properties in close proximity to the port and rail that can also accommodate freight oriented development. For more information, Google ‘mobilize eastern Maine’.

**EDITORIAL**

**PAN AM/NBSR EXPANSION?**

Rumors are swirling about a deal between Pan Am and NBSR. On 3 October, NBSR General Manager Ian Simpson said he had heard similar rumors. “We have nothing definitive. We continue to have discussions with all of our partners”: MMA, CN, and Pan Am. {ANR&P discussion} Officials at NEARS who asked not to be named confirmed a deal is brewing. {ANR&P interviews 12-13.Oct.11}

Other sources at Pan Am and at NBSR said that the deal revolves around intermodal, just as the NS-PAR deal did. {e-mails to ANR&P}

**A fantasy deal: Pan Am Northern**

My own fantasy, based on paralleling it with the creation of Pan Am Southern by NS and Pan Am Railways, would have it look like this:

Money. NBSR (or J.D.Irving, the parent company) pays $50 million in cash, Pan Am contributes the rail line between Portland and Mattawamkeag, valued at $50 million, making the deal $100 million.

Creation: Pan Am Northern. The two partners create a joint venture called, not coincidentally, Pan Am Northern. Control is shared 50-50.

Work. The $50 million is used to upgrade the line, and (much like the Patriot Corridor) rebuild the Waterville and Rigby Yards.

The rebuild of the line from Mattawamkeag to Portland would connect with the already improved (because of the Downeaster service) line from Portland to Lowell Junction.

Result: a new intermodal corridor. Pan Am Northern, with ST operating the trains west of Mattawamkeag, would run five days a week, doubling the trains between Northern Maine Junction and Mattawamkeag. The Irving intermodal traffic, which currently runs east out of Saint John on CN, would now run west via PAN and PAS to connect with NS.

NBSR currently keeps its track maintained to FRA Class 3 (40 miles per hour). The work listed above would leave only the stretch between Lowell Junction and Ayer, about 21 miles (milepost 292 to 313) as unimproved (until Pan Am did that stretch as part of the entire deal).

**Sandhouse rumors**

Sources in Pan Am’s unions said that rumors are flying. Mid-level managers depict high-level executives as very tight-lipped. Office Car Specials are running on an
extremely frequent basis. Much of the work employees are performing is an effort to clean up and make things look better. {e-mail to ANR&P 18.Oct.11}

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 onto itself.’