Formal issue 11#10B 7 November 2011

*Article unchanged from e-bulletin.

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

Blue header & table of contents: new article

REGIONAL

Coal exports: Providence, Halifax considered.*

NECR: CT-VT ‘Central Corridor’ proposed.*

Green Mountain Gateway: Office car special.*

NEW YORK

NYNJ: NYCEDC work in S. Brooklyn.** Photos.

NYNJ: More on RFP for transloads.* Maps.

Brooklyn: Red Hook containers south?*

Albany/CP: Crude arrives at Global.*

QUÉBEC

[No report.]

CONNECTICUT

HRRC: Tiger III for Specialty Minerals spur etc.*

PW Connecticut updates: Perma Treat resumes service.* Cascades becomes Fusion.*

MAINE

ST/MMA.Portland/Searsport: First Great Northern paper to Portland. Searsport later.*

Eastport: Update on conveyor and cows.

MASSACHUSETTS

GU: Nimby’s want oversight of chemicals.*

Pan Am: Unit grain trains to Horizon in Ayer.*

NEW HAMPSHIRE

MBRX v Pan Am: New attorney for Pan Am. Fink files deposition 15 November. No decision from judge.**

Pan Am: PSNH goes to truck due to price rise.

RHODE ISLAND

PW: Pond View reduced to 150 tons per day.

VERMONT

[No report.]

MARITIMES

CBNS: Province will extend subsidy for three years.*

Halifax: East Hants inland terminal. Traffic?*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

[No report.]

EDITORIAL

Pan Am sues this newsletter for libel.

FROM THE PUBLISHER

Unit trains

Railroads tell customers unit trains are cheaper.

Global [crude, see New York] and Horizon [grain, see Massachusetts], are listening. PSNH [see New Hampshire] can’t make a go even with unit coal trains.

- Chop Hardenbergh

Next formal issue 21 November

REGIONAL: COAL EXPORT PORTS*

13 October, State College. **HALIFAX AND PROVIDENCE WERE CONSIDERED FOR ANTHRACITE EXPORTS**, said Dan Gilchrist, marketing director of the Reading, Blue Mountain, and Northern Railroad (RBMN)*, during a brief discussion at the autumn meeting of the North East Association of Rail Shippers. Gilchrist had just served on a panel of Pennsylvania short lines, and explained how RBMN had led the effort to create new export coal terminals in 2010.

* [The railroad’s official name is Reading, Blue Mountain, and Northern Railroad Company. However, on its website RBMN is consistently referred to as ‘Reading and Northern Railroad Company’. News articles use the latter.]

**The railroad: built on coal**

RBMN serves anthracite mines throughout eastern Pennsylvania [see box]. Anthracite, the hardest and most costly coal, is used principally for heating. The softer and cheaper bituminous coal is used to generate steam in power plants, and as metallurgical or coking coal to make steel.

**The problem: met coal surge**

In 2009, and again in 2010, metallurgical coal exports surged, crowding out the much smaller tonnage of anthracite exports. This is continuing into 2011: total bituminous coal exports rose 27.5% to 26.6 million short tons from 20.8 million short tons in 4Q10. Steam coal was shipped primarily to Germany, the Netherlands, and the United Kingdom, while metallurgical coal shipments largely went to Japan and China. {US Energy Information Administration}

Anthracite production, on the other hand, concentrated in Pennsylvania, came to only 1.9 million tons in 2009. Commitments by Baltimore terminals to take the much-higher volume met coal forced those who wanted to export anthracite to look elsewhere.

RBMN-served mines began trucking the coal to Fairless Hills, Pennsylvania, as well as Wilmington, Delaware, in 2009, and RBMN began looking for a port with rail access.

**Fairless Hills terminal**

In 2004, the firm Kinder Morgan purchased the assets used to operate the terminal on the Delaware River above Philadelphia at Fairless Hills. At that time, it was the largest port on the East coast for the handling of semi-finished steel slabs. {Kinder Morgan 8-K filed 21.Nov.07}

Conrail Shared Assets serves Fairless Hills, the site of the once-huge Fairless Works of US Steel, now reduced to 75 people operating a sheet galvanizing plant. Benjamin Fairless was a president of the company. {wiki}

RBMN’s first unit coal train arrived at Fairless Hills in December 2010.

**Wilmington terminal**

The coal terminal in Wilmington is operated by Port Contractors, and served by NS. The first RBMN unit train arrived here in March 2011.

“We now have two new export anthracite facilities, and we made the initial investments,” stressed RBMN President Wayne Michel, who anticipates the investment taking the equivalent of 4,000 trucks off the roads in 2011. {Douglas John Bowen in **Railway Age** 8.Apr.11}

**The search for a port**

Gilchrist said RBMN did not immediately settle on Fairless Hills and Wilmington, but did a broader search. “Providence and Halifax came up in the search for rail export facilities for anthracite. But they were too far north, just as Norfolk was too far south and Sandusky too far west.”
RBMN assists operation
The two port operators chose Rail Barge Truck Services (RBT) of Elizabethtown, Kentucky to plan and build large portable undercar conveyors that could move along a string of railcars to handle coal loads. RBMN committed to purchasing one unit for Fairless Hills and one for Wilmington, at a total cost of $200,000. \{ANR&P coverage 13.Oct.11\}

[This represents, to me, the first time that an originating railroad has paid for equipment to be used by a terminating railroad. Editor]

Kinder Morgan's commercial manager for the facility, Jim Schine, called the RBMN move a "prudent way to contribute in order to get the transportation logistics to work for rail." He noted that "the efficiency of the undercar units is not great in coal. It's a tough operation, and labor-intensive. But it does demonstrate that the rail move is viable." RBMN put its one unit into service, followed quickly by three additional units which the terminal itself acquired. \{ANR&P discussion 31.Oct.11\}

READING & NORTHERN RAILROAD HISTORY
The Reading Blue Mountain & Northern Railroad, with corporate headquarters in Port Clinton, Pennsylvania, is a privately held railroad company serving eight counties in Eastern Pennsylvania. RBMN began serving customers in 1983 as the Blue Mountain & Reading Railroad on its original thirteen miles between Temple and Hamburg, then state-owned.

In 1990, RBMN purchased 130 miles from Conrail known as the Reading Cluster, comprised of former Reading Company track along the Schuylkill River Valley from Reading to the heart of the anthracite coalfields in Schuylkill County, Pennsylvania (in the vicinity of Pottsville, where anthracite was first discovered in 1790). The railroad began using the name 'The Road of Anthracite,' formerly the Reading tagline.

In August of 1996, RBMN acquired 100 miles of Conrail's Lehigh Division from the southern foot of the Pocono Mountains at Lehighton through Wilkes-Barre and Scranton and onward to Wyoming County. RBMN negotiated overhead trackage rights over the Carbon-County owned 18-mile railroad that runs between Hometown and Jim Thorpe in order to connect its two divisions.

RBMN has grown to be the third-largest privately owned railroad in Pennsylvania with over three hundred miles of railroad under the Reading Blue Mountain and Northern banner. \{website\}

In 2002 and again in 2011, Railway Age chose the Reading Blue Mountain & Northern Railroad as Regional Railroad of the Year. \{magazine\}

NECR: NEW PROJECT**
3 November. LOCALITIES AND AGENCIES WANT TO PROMOTE THE 'CENTRAL CORRIDOR LINE', a proposed project to upgrade the NECR from New London to Brattleboro. Nine towns and five regional planning agencies signed an agreement this day to seek $100 million funding to improve the track and to develop passenger service, and to create a feasibility study and a business plan.

James Butler, executive director of the Southeastern Connecticut Council of Governments, said the agreement will serve as a way to get all the parties in the same room talking with one another. SCCOG, a regional planning agency that works with the region's 20 towns, could administer any grants received for the rail project, according to the proposed agreement. \{Jeff Johnson in New London The Day 30.Oct.11, 3.Nov.11\}

NECR comment
Charles Hunter, director, State Relations East for RailAmerica, said: 'We have been involved with this group and these municipalities on this effort. As far as any agreements, it was the group's decision on how best to work together. Enhancing rail service along the Central Corridor Line is of great interest to the New England Central Railroad. We believe that there are many shared benefits that can be accomplished by working together on this effort.' \{e-mail to ANR&P 31.Oct.11\}

CP/VRS/NECR/PW: CELEBRATION*
ran the train between Rutland, Vermont and Worcester, Massachusetts.

On 28 October, Frank Rogers, PW vice-president marketing, said: 'We have seen our interline business with the CPRS/VRS/NECR increase significantly over the past several years, across commodity lines. The Inspection trip was to review how we will consolidate those gains and explore new opportunities.' {e-mail to ANR&P}

**NYNJ: ADDITIONAL TRACK WORK**

24 October, New York City. **THE CITY IS WORKING WITH THE PORT AUTHORITY TO IMPROVE THE TRACK ALONG THE SOUTH BROOKLYN WATERFRONT.** The past, current, and future work will assist the Port Authority of New York and New Jersey’s (PANYNJ) New York-New Jersey Railroad (NYNJ) to serve existing and future customers in the area from 65th Street to 29th Street. PANYNJ is seeking bids for two transloads in the area [see map in 11#10A].

The City of New York owns and operates all three terminals served by NYNJ; the New York City Economic Development Corporation (NYCEDC) manages the facilities on behalf of the City. Joshua Nelson, who handles freight rail properties for NYCEDC, explained:

**South Brooklyn Marine Terminal**

This has two tenants: the Axis Group, which will operate a ro-ro auto terminal and may use rail for outbound auto racks; and Sims Metal Management, which will operate a municipal recycling facility possibly using rail outbound [see 09#01A and 07#02B–NYCEDC announced in 2007 it would invest $40 million in SBMT]. (Note: all of Sims’ inbound traffic will be municipal garbage trucks bringing recyclable materials to the facility).

In 2010, NYCEDC spent $2 million for a track project which built a new spur out along one of the piers adjacent to a warehouse [see photo]. The track, Nelson said, permits transloading from the warehouse, or direct truck-to-railcar loading. Tully Contractors served as the prime contractor, and Tracks Unlimited did the actual track work. Although Axis is aiming at ro-ro business, its lease at the SBMT permits it to handle break-
bulk cargoes such as lumber and steel. The new track will permit those cargoes to be unloaded from rail or loaded to rail.

$20 million contract
In May 2011, NYCEDC awarded a second bid, this time for $20 million, to complete the trackwork inside the SBMT, to Perfetto as the prime contractor, and G.W.Peoples as the sub contractor [see photo]. This will complete the track [as shown in the map in 11#09B] for the SBMT.

Work outside Bush Terminal
The same contract includes installation of continuous-welded rail and Rocla1 concrete ties in 1st Avenue beginning at 43rd Street, at the north end of Bush

PORT AUTHORITY WORK ON FLOAT BRIDGES
At a board meeting in May 2010, the PANYNJ authorized $118.1 million to purchase approximately 47 acres of upland property and 72 acres of riparian rights at Greenville, New Jersey, the other end of the float bridge system, and to rehabilitate the rail car float system. Funding for this authorization will come from federal and state grants, and Port Authority funds.

In 2007, US Representative Jerry Nadler landed $100 million for cross-harbor tunnel planning. PANYNJ is using this money, said Nelson.

Barge to rail waste system
The project aims to remove 360,000 trash trucks annually from trans-Hudson crossings and New Jersey highways by moving New York City’s sealed containerized solid waste and other commodities by barge and rail when appropriate facilities are completed by 2013. Each year, the Port Authority spends more than $30 million maintaining the deck of the George Washington Bridge upper roadway, due primarily to truck traffic.

A new barge-to-rail facility, to be built at Greenville Yards, will allow for municipal solid waste and other commodities to be barged from New York to New Jersey in watertight sealed containers and taken out of New Jersey by rail. [Sims at SBMT was considering accepting glass, metal, and plastic for recycling. Some could arrive by barge. See 07#02B.] {PANYNJ press release 19.May.10}

Nelson wrote: ‘The barge-to-rail facility will handle MSW exclusively that is barged from the Department of Sanitation’s Marine Transfer Stations, currently under construction. The work forms part of a larger master plan for Greenville that PANYNJ, Conrail, and the Class Is are creating. It will include four primary pieces: 1) new float bridges and support yard for the cross-harbor carfloat operation, 2) a barge-to-rail facility for MSW, 3) a new intermodal container transfer facility for Global Marine Terminal, and 4) new rail infrastructure for Tropicana’s operation at Greenville.’ {e-mail to ANR&P from Nelson 31.Oct.11}

1 On 1 November 2011, Rocla and the MBTA settled a $91.5 million lawsuit seeking compensation for defective ties. {Jack Sullivan in Commonwealth Magazine 3.Nov.11}
Terminal, to 39th Street, to connect with the trackwork in the SBMT.

Nelson said this work, called the “S-curve elimination,” is done by Triumph as the prime contractor and J-Track of College Point, New York, as the subcontractor.

**Connection to MTA**
Currently, the NYNJ connection to the South Brooklyn Railway (the MTA-owned connection to the New York subway system) is severed across 2nd Avenue. Triumph and J-Track under the above contract will restore the connection, which will require additional infrastructure because of the grade differential between the two sides of the Avenue, said Nelson.

**Work through the Brooklyn Army Terminal**
In the next two to three months, NYCEDC will put a third and final contract out to bid, for about $5 million. This project will reanimate the “west track,” said Nelson, running through the Brooklyn Army Terminal (BAT) because that has “better geometries,” than the east track, the one currently in use.
Float bridges
Nelson emphasized that the rail program is a “joint effort” with the Port Authority. PANYNJ is using its funds and grant funds [see box] to rehab the 65th Street terminal and the 51st Street terminal.

Nelson said though the major traffic would shift to 65th Street, NYCEDC and PANYNJ wanted “some redundancy” in the system. “It’s important that the 51st Street facility stays in place and is maintained.” {ANR&P discussion 24.Oct.11}

NYNJ: MORE ON TRANSLOAD RFP*
12 October, South Brooklyn. SOME POTENTIAL TRANSLOAD OPERATORS ATTENDED THE PRE-BID CONFERENCE HERE, held by the Port Authority of New York and New Jersey, which seeks operators for two transload

---

**THE BROOKLYN CAR FLOAT IN 1936**
January 4, 1936. It was eight o’clock. All the regular car floats had come in and the Brooklyn interchange yard was quiet except for the occasional cough and scuffle of a switch engine on the Hill. Nothing was scheduled now until the midnight freight from New Haven got in with a train of refrigerator cars to be loaded on the floats and towed across New York Harbor to Greenville, where they’d be turned over to the Pennsylvania. {From ‘Feud’, a short story by Wolcott Gibbs in *Backward Ran Sentences*, a collection of his writings from the *New Yorker*. The collection contains a second short story set in the 65th Street Yard}
The 27 people who attended and signed the attendance sheet could be divided into four groups:

**Port Authority representatives**
Five officials.

**NYCEDC representatives**
NYCEDC owns the site. Joshua Nelson attended [see other article].

**Railroad representatives**
Andrew Lynch and Brent Anderson from NS; Don Hutton from NYNJ; Ted Mills, Andrew Kaufman, and three others from US Rail New York; Paul Victor and three others from NYA;

**Transload operators**
J.T. Lamkin*, Resources (3)**, Railroad Construction Companies of Paterson, New Jersey, Jim Schine of Kinder Morgan, and New Jersey Rail Carriers (2).***

* Lamkin works with Ron Bridges at Haynesport Industrial Railroad, among other positions. He said he once owned 20% of the Cross-Harbor Railroad, a predecessor to NYNJ. {ANR&P discussion 24.Oct.11}

** Per Google, Resources Warehousing & Consolidation Services, Inc., is located in Secaucus, New Jersey
*** New Jersey Rail Carriers LLC, linked to Bridgewater Resources Inc, located in Bridgewater per Google.

Others
Moffatt + Nichol, plus a marketing and "communications" InGroup in Wyckhoff, New Jersey. [InGroup completely failed at communications: No one answers the phone except an indecipherable voice-mail menu, and no e-mail is supplied. Editor]

Comment on conference
Jim Schine of Kinder Morgan found the property an "interesting facility." He was frustrated by the refusal of PANYNJ people to answer questions "about the volume and nature of the existing business. Kinder Morgan does not go into a business unless there is proven value and return." {ANR&P discussion 31.Oct.11}

Paul Victor of NYA said though "we are not expert transload operators...we might submit something anyway." NYA does not have the experience the RFP requires. "Kinder Morgan and NS could meet the requirements."

He noted that of the attendees, "there were more carriers than non-carriers," and but one or two actual transload operators. {ANR&P discussion}

BROOKLYN: MOVE RED HOOK TERMINAL?*
26 September. THE PORT AUTHORITY PUT PHOENIX BEVERAGES IN CHARGE OF THE RED HOOK CONTAINER OPERATION, in an unheralded move. The Red Hook Star Revue first reported that on 26 September Sal Catucci, the principal of American Stevedoring, signed over the lease to the PANYNJ property. American Stevedoring had won a 10-year lease in 2008 after a long battle [see 09#01B and map]. {George Fiala in Red Hook Star Revue 16-31.Oct.11}

After buying out the lease, PANYNJ turned operations over to the terminal's principal user, Phoenix Beverages, which already owns a warehouse at nearby Pier 7. The city wanted to move it to Pier 11. [See 09#01B.] The company, in a negotiated agreement, vacated the 65.6-acre installation, according to a PANYNJ spokesperson. Matt Yates, a spokesman for American Stevedoring Inc., would not comment on the situation other than to say that the company “is still trading.”

US Representative Jerry Nadler (D-Manhattan/ Brooklyn) was one of the prime movers in the agreement. “I am grateful to American Stevedoring for years of service and for keeping Brooklyn’s only container port active for these many years. I am glad that the parties involved were able to come to a negotiated settlement and could ensure that there is no stoppage in container port operations in Red Hook. I look forward to working with Phoenix Beverages to expand container shipping in Brooklyn, and to foster the investment necessary to sustain this vital sector of Brooklyn’s and New York’s economy,” he said. {Raanan Geberer in Brooklyn Daily Eagle 18.Oct.11}

Move the container terminal to South Brooklyn!
On 13 October, outgoing Port Authority chief Chris Ward told the Municipal Art Society’s annual summit he would suggest construct a cross-harbor freight tunnel and a rail freight distribution system for the city, and abandon container shipping at the Red Hook terminal. “The city is bedeviled by intraregional truck trips. Having large diesel trucks criss-crossing the dense, congested region 364 days a year is an economic and environmental crisis. We must, we must finally realize small-scale rail freight distribution within this city.”

Under his leadership the Port Authority acquired the NYNJ and points in New Jersey needed for the cross-harbor rail freight tunnel. Beyond that, said Ward, the region needs to develop small, clean vehicles capable of carrying freight the last mile from rail stations to final destinations.

Ward also argued for a rethinking of the Brooklyn waterfront, which he called the last great challenge for the city from a planning perspective. "Red Hook has to move down to the South Brooklyn Marine Terminal. Red Hook is the wrong location."

Container shipping there, he said, is both inefficient from a transportation perspective and standing in the way of the city’s other plans for the waterfront, including the eventual development of the southern portion
of Governor’s Island. “You will not be able to get the needed amount of people, whatever the use is, to Governor’s Island as long as you have a container terminal there.” With the container port moved, he argued, new transportation infrastructure could connect Red Hook and Governor’s Island and spur major new development in the area. {Noah Kazis in streetsblog.org 13.Oct.11}

ALBANY/D&H: NEW TRAFFIC*

19 October, Waltham. GLOBAL PARTNERS HAS LOADED ITS FIRST UNIT TRAIN OF BAKKEN CRUDE OIL IN NORTH DAKOTA FOR RAIL DELIVERY as early as next week to the Partnership's Albany, New York terminal. "We believe that Global's assets are uniquely positioned to take advantage of some of the energy products, production opportunities and related services being discovered and developed within North America," said Eric Slifka, president of Global, said in the press release about Global's 3Q11 results. "We are enthusiastic about these and other emerging market opportunities, such as the purchase, transportation, storage and resale of Bakken crude, which we believe will become an important and growing business for us." {Global website}

More on the first train
Rail observers tracked the first train, which was loaded at Stampede, North Dakota, and reached Toronto on 23 October with about 80 cars. Reportedly Global will transload the crude to barge [the region has not had an operating refinery for several years, according to Google search] for movement to a Sunoco refinery. [The web

**Port Henry, New York.** CP train 696-001, with crude oil tank cars snaking along Lake Champlain, proceeding south toward Albany on 24 October. {Courtesy Frank Jolin}
reports three Sunoco refineries in the Philadelphia area, though Sunoco has put its Marcus Hook and Philadelphia proper facilities up for sale. [John Kemp, analyst, Reuters 7.Sept.11]

A second train left Portal, North Dakota on 27 October with 80 cars. [D&H e-list]

**Bakken oil and CP**

In March, CP announced plans to invest $100 million in North Dakota infrastructure the next two years. By May, it was moving some unit trains from the Bakken, primarily to the Gulf Coast. "We have the flexibility to move crude to other markets," said CP Vice President of Marketing Steve Whitney that month. "Some [crude] could go north."

Moving crude by rail is a relatively new concept for oil companies, which usually use pipelines. However, pipelines take a long time to build, and require long-term commitments and volume targets, Whitney said. "Rail can be complementary to pipeline. We can sign up business on shorter and less onerous terms."

As CP sales and marketing executives work to convince oil producers about rail's advantages — including flexibility and scalability — they're also targeting business from terminal operators, oil buyers and others. "It's not a short-term horizon for driving profitability," Whitney said. "We're thinking about it in terms of decades." [Jeff Stagl in Progressive Railroading May.11]

**CONNECTICUT**

**HRRC: TIGER III**

28 October. **THE NORTHWESTERN CONNECTICUT COUNCIL OF GOVERNMENTS SUBMITTED A TIGER III APPLICATION** seeking funds to install two miles of new welded rail in Kent, four miles in Cornwall, and seven miles in Canaan including main line, sidings, a new siding, and the spur up to Specialty Minerals. It also included crossing renewals in Canaan and improved interface (sidewalks and improved pedestrian access) between the railroad and town of Canaan at the crossing in the center of town on Main Street, according to Colin Pease, HRRC vice-president special projects. [See 11#08B.] {e-mail to ANR&P 31.Oct.11}

**PW: CONNECTICUT UPDATES**

27 October, Durham. **THE SWITCH TO PERMA TREAT WAS RESTORED** recently. One rail observer saw 'at least seven cars in the plant, both gondolas and spine cars. {PW e-list}

PW and Pan Am, Perma Treat parent, had earlier announced their intent to restart PW service [see 11#07B].

24 June, Versailles. **CASCADES BOXBOARD MILL WAS SOLD** to OpenGate Capital, a global private equity firm. OpenGate also bought the Hebron Kentucky boxboard mill of Cascades, and will operate both under the Fusion Paperboard name, with existing management. {Business Wire}

**MAINE**

**ST/MM/A/SEARSPORT/PORTLAND: TRAFFIC BACK**

27 October, East Millinocket. **THE NEW GREAT NORTHERN PAPER WILL RAIL TRAFFIC TO PORTLAND**, according to a trace on cars at the mill here. Nine boxcars loaded with paper are moving to Portland. Some 40 more empties are spotted at the mill. {e-mail to ANR&P 27.Oct.11}

And to Searsport later

MMA Chair Ed Burkhardt wrote: 'We understand these cars are going to be transferred into containers at
Portland. But this is just part of the shipments to date, with cars also moving to other ports and to mid-western receivers. The Searsport traffic [see 11#09A] will be break-bulk, and we have been told that will start later. {e-mail to ANR&P 27.Oct.11}

---

**EASTPORT: CONVEYOR AND COWS**

5 November. *THE PORT’S NEW CONVEYOR AND A CHIP CUSTOMER COULD BE READY SIMULTANEOUSLY,* said Chris Gardner, Port Authority director. While Gardner anticipated the first ship would call in October [see 11#03A], the ship loader part of the conveyor system was delayed. He foresaw initial operation by the end of 2011.

As for the two other parts of the system, the 5-6-acre laydown area was paved in late October by Lane Construction, and the fixed conveyor is "all but complete."

Gardner said he has "one major chip customer with tremendous interest" in using the port, which has been "shopping themselves to us."

---

**Aggregates**

With the construction of the conveyor, companies interested in shipping aggregate have begun to talk to the port, Gardner reported. Because of the Jones Act, the cost of a ship remains an impediment to moving the large amounts of aggregate which exist in Washington County.

The conveyor reduces landside costs considerably, enough perhaps to overcome the shipping costs.

---

**Pellets**

Some customers remain interested in wood pellets [see 11#10A for Portland pellet possibility]. To move those Gardner needs an automatic storage facility. "We can build that--once we sign with a pellet producer--during the time it will need to ramp up the production."

---

**Pulp**

This product continues strong. The port hopes to play in the market in the rest of the state. Gardner now has the area to construct a second shed of 30,000SF should he need it. {ANR&P discussion 5.Nov.11}

---

**Cows**

On 3 November, US Representative Mike Michaud (D, northern Maine) was able to announce that the US Department of Agriculture renewed the export inspection contracts. Since January 2011, 17,000 head have passed through Eastport, moved predominantly by Texas company Sexing Technologies which sorts bull semen for farmers that specifically want either male or female calves. Heifers impregnated with semen from Sexing Technologies’ system are then loaded onto the livestock containers, often headed for Turkey.

Eastport originally hoped to obtain long-term certification from the USDA’s Animal Plant Health Inspection Service as a livestock exportation facility. But Ed Gilman, spokesperson for Michaud, said it actually made more sense to maintain the port’s status with a temporary certification. “The livestock shipments are not full-time, around-the-clock operations, so what APHIS did was establish this temporary designation that allows them to be there on an as-needed basis.”

Gardner credited all four members of Maine’s congressional delegation — Michaud, Senators Olympia Snowe and Susan Collins and Representative Chellie Pingree — with helping the port to obtain a new certification. {Kevin Miller in Bangor Daily News 4.Nov.11}
GU:NIMBYS**
28 October, Upton. **THE UPTON SELECT BOARD TOLD ITS PLANNING BOARD IT COULD NOT HIRE AN ATTORNEY ON ITS OWN MOTION.** On 25 October the Upton Planning Board considered, and passed, a proposal to hire an attorney to find out from the STB how much, if any, local oversight the town has over activities at the GU yard on Maple Avenue.

**Catch basin needed?**
One of 80 in attendance at the Planning Board, former Selectman Marsha Paul, asked, "When you have tankers of chemicals, you want to make sure that it is caught and that it does not go into the groundwater. Is this (basin) now being built?" Paul asked, directing the question to railroad owner Jon Delli Priscoli, standing nearby. The Board cut off Paul's question, saying it wanted to wait for the new attorney's review.

The previous week GU spokesperson Doug Pizzi, said the yard will get a basin. "I don't have an estimate as to when it will be finished, but I can tell you we want it done ASAP. It is worth noting that the retention basin is not required by the (Federal Railroad Administration, state Department of Environmental Protection, the federal Environmental Protection Agency) or anyone else. This is something (Delli Priscoli) is doing to ensure maximum safety at the site."

**Committee created**
The Board created the Railroad Fact Finding Committee, made up of representatives from the Board of Health, the Board of Selectmen and two residents. It will research the safety and activities at the Grafton & Upton
Public discussion with FRA
On 1 November, FRA Hazardous Materials Staff Director William Schoonover gave a 20-minute video slideshow detailing how the federal government regulates railroad business.

Schoonover said the chemicals are considered in-transit, and because of the railroad's federally protected status, there is no limit for how long the chemicals can stay on the property. He also made clear that under federal rules, the local Planning Board and Board of Health do not have any oversight over the operation.

Jon Delli Priscoli was also attending. {Morgan Rousseau in Milford Daily News 2.Nov.11}

The bright side: grants
On 27 October, Governor Deval Patrick signed a supplemental budget that includes $1 million for repairs on crossings along the Grafton & Upton Railroad. {Whitney Clearman Milford Daily News 28.Oct.11}

PAN AM: GRAIN TRAINS
September, Ayer. HORIZON NOW HAS A HIGH-CAPACITY ELEVATOR AND UNIT TRAINS. According to a railroad source, in late September the first 56-car unit grain train moved over the west end of PAS. At Fitchburg, the crew dropped half the train, and then spotted the other half at the cars at the loop around the Horizon mill in Ayer. The ST power had to move the string, as the mill's new switcher could not move it without making cuts.

At the mill, the under-car unloading system can receive one car at a time. With all three hoppers open on the cars when they unloaded, Horizon employees were working toward a goal of 5½ minutes between spots.

Athol, Massachusetts, 4 November 2011. Pan Am empty Grain Extra with Ferro-Mex SD70ACe 4045 and ES44AC 4636 (with 10th Anniversary logo - 1998-2008) leading Pan Am-painted SD40-2s MEC 605 and 606 ahead of the empty 110-car grain train westbound. {courtesy Kevin Burkholder}
Reportedly, the mill will receive unit trains every two weeks or so. {Guilford Rail Sightings 26.Sept.11}

Horizon supplies area flour users, including Newly Weds Foods [see 11#08B]. Neither Horizon, nor its co-owner Cargill, would comment for this article.

More trains
Rail observers report a second train Ayer-bound at the end of September, and a third leaving Ohio at the end of October. {Guilford Rail Sightings website}

MASSPORT: TRAFFIC UP
25 October. THE PORT OF BOSTON HAS SHOWN A 10% INCREASE IN TEUS IN Q3 OF 2011 as compared to Q3 of 2010 increasing to 53,743 TEUs from 48,847. Boston’s Lisa Langone said the increase has been bolstered by the new Southeast Asia service via the Suez Canal which began in May with direct service to such ports as Hong Kong, Singapore, Taiwan and Vietnam. {Lisa Langone in an email to Peters 25.Oct.11}

NEW HAMPSHIRE

MBRX V PAN AM: UPDATES**
Seth Michael Pasakarnis became the next [and fourth--see 11#10A] attorney representing Pan Am. The deposition of David Armstrong Fink fils is scheduled 15 November. Judge Barbadoro has yet to decide Pan Am's motion for summary judgement [see 11#10A]. If he does not grant it in full, a trial will follow.

PROVPORT-PORTSMOUTH: COAL SWITCH
29 October. A PRICE INCREASE HAS CAUSED A SHIFT FROM RAIL TO TRUCK FOR COAL. According to a New Hampshire source with municipal links, Pan Am increased its rate to move the coal after interchange from PW to the PSNH Merrimack Generating Station in Bow.

In response, to provide the best price to its customers, the citizens of New Hampshire, PSNH has diverted two colliers from Providence to Portsmouth, New Hampshire, and will truck the coal from there.

Hobbsian choice for the state
The source wrote: 'It is a lose-lose for NH residents. We either pay higher rates to PSNH if the coal is carried by rail, or pay for the repair and maintenance of our roads if the coal is transported by truck.' {e-mail to ANR&P 29.Oct.11}

No comment from PSNH
A representative of PSNH, asked to confirm, offered, "No comment." {e-mail to ANR&P}

RHODE ISLAND

PW: LESS TRAFFIC?
19 October, East Providence. THE EAST PROVIDENCE ZONING BOARD OF REVIEW TOLD POND VIEW IT HAD TO CEASE HANDLING MORE THAN 150 TONS PER DAY, though the state had issued a
license for 1500 tons. [The Department of Environmental Management said the City could address its concerns through local ordinance—see 11#04B.]

The ZBR, meeting for a third time on TLA Pond View’s appeal of the order of city zoning official Edward Pimentel on 27 May, upheld his order. The first notice of violation stated the company was in violation of the terms of a use variance granted in 1998 [which the city has contended for some time—see 11#02A].

**Pond View needs to handle more**

TLA Pond View Regional Vice President Jack Walsh told the ZBR that with rising business-related costs, it wouldn’t be able to stay open if it could only accept 150 tons per day versus a limit on grinding of 150 tons per day.

Christopher Guzzi, PW director of business development, said his company services TLA Pond View with rail cars on a daily basis, each of which can carry up to 100 tons of material [so material does not remain on-site]. Walsh wasn’t surprised by the ruling. Once the appeal is brought to Superior Court, an "unbiased" judge will agree with the company. {Richard Salit in Providence Journal 20.Oct.11}

**MARITIMES**

**CBNS: DEFINITE SUBSIDY***

30 September, Sydney. **PREMIER DARRELL DEXTER SAID THE $2 MILLION ANNUAL SUBSIDY TO THE CBNS for capital and maintenance costs will continue for another three years. The province's economic and rural development minister, Percy Paris, says a rail line in Cape Breton needs to be available in case future port developments in Sydney and the Strait of Canso create new traffic.** {Canadian Press 30.Sept.11}

John Pearce, a local rail advocate, noted that the $2 million per year provincial subsidy is the equivalent of building about 1 kilometer of two lane all-weather highway, exclusive of bridges or interchanges. {e-mail to ANR&P 30.Sept.11}

**HALIFAX: MORE DISCUSSION OF INLAND TERMINAL***

23 August. **A SMALL MUNICIPALITY APPROXIMATELY 40 MINUTES FROM THE PORT OF HALIFAX WANTS TO BE A MAJOR TRANSPORTATION HUB** and logistics centre for Atlantic Canada.

J.D. MacCulloch, director of economic and business development for the Municipality of East Hants said, “With our economic development strategy we have been focusing on logistics, distribution, light manufacturing (value added) and those types of facilities.” With the municipality’s location and connections to major transportation facilities he said East Hants is “a natural logistics hub.”

[East Hants has purchased full-page advertisements in the latest issues of the Port of Halifax magazine.]

**Assets**

The municipality has approximately 5,000 acres available for development located 15 minutes from Halifax Stanfield International Airport, with immediate access to the province’s major highway system, approximately 40 minutes from the port and has the CN main line running through the property. And being a greenfield site, MacCulloch said there is room to develop a rail siding with appropriate laydown area for containers.

**Rail advantage**

MacCulloch said having the main rail line is a key ingredient. “We have 10,000 feet of straight track and that is a really unique characteristic when you are developing an inland port or one of these intermodal facilities. It makes for easy loading of containers.”

He said CN has invested in these kinds of facilities in the United States and on the Canadian West coast but they haven’t addressed the East coast yet. “But it is coming,” MacCulloch said. {J.D. MacCulloch in discussions with ANR&P correspondent Tom Peters 23.Aug.11}
CN’s Mark Hallman said, “CN is aware of this proposal but is not involved. CN is always interested to hear about such intermodal proposals but it would be premature for CN to comment further at this stage.”
{Mark Hallman in an email to Peters 29.Aug.11}

Removing trucks from downtown
MacCulloch said the East Hants proposal could also be the answer to getting the heavy trucks that haul containers to Halifax’s Southend terminal off city streets. Approximately 30% of the container cargo that moves over the two Halifax terminals moves by truck. In 2010 the port handled 435,461 TEUs and had a record year in 2005 with 550,462 TEUs. {Halifax Port Authority website}

In February 2009 a provincial government study on developing a truck lane along the CN corridor from the southend terminal to get trucks out of the downtown area, said it would cost approximately $220 million and be too expensive to pursue. [See 09#02A (there but missing from Table of Contents).]

In January, 2006, Marinova Consulting of Halifax, released a study commissioned by the city that looked at potential sites for an inland terminal connected by rail to the Halifax port’s container terminals. East Hants was one of two sites shortlisted as a potential site. [See 06#02B, 08#02B.]

Industry driven
MacCulloch said the East Hants project will be industry driven and there are investors ready to get involved. “We are working on getting a major customer, so we are talking to the Walmarts and the Targets, the companies that require major distribution centres with distribution to places like Memphis, Chicago, Toronto - where CN runs. Halifax is an ideal entry point for these large retailers because it is not congested. The port is well aware of our project and is supporting it in general. The Nova Scotia Gateway Secretariat supports this as a significant opportunity for the region, the province and Atlantic Canada,” MacCulloch said. {discussions with Peters 23.Aug.11}

Halifax Port Authority’s Michele Peveril said the port is aware of the Hants East initiative and has met with the East Hants group and will continue to do so. “At this point in time, the Port of Halifax can triple container volumes with current terminal capacity. When volumes are significant enough to warrant looking at other options for container handling outside of the port's two terminals, then capacity may be developed off-site.

“...In volatile economic periods it is difficult to predict precisely when our container volumes will drive the need to look at options such as that proposed by the East Hants group. It is good they and others are looking out over the horizon to consider what the communities around the port could offer and could benefit from, long term. We will continue to share information with them and others as they develop their plans over time." {Michele Peveril in email to Peters 21.Oct.11}

Not enough cargo to justify the move yet? Halifax down, New York flat, Boston up
Trying to attract investors to develop an inland port may be difficult at this point with container traffic at the Port of Halifax at about 40% of capacity. {Tom Peters. Canadian Sailings.18.May.11}

And latest statistics show no container cargo growth. In Q3 of 2011 Halifax had an 11.1% decline in TEUs (20-foot equivalent unit) over the same period in 2010 dropping to 109,073 TEUs from122,692. In year-to-date stats, the number of TEUs is down 2% from 327,870 in the first three quarters of 2010 to 9 321,402 in the same period in 2011. {Halifax Port Authority website}

The Port of New York and New Jersey has also reported volumes flat for the month of August compared to last year. The port reported being down 0.5% in overall container volume in August compared to August 2010. {Journal of Commerce 21.Oct.11} Boston has increased [see Massachusetts.]
**RAIL CUSTOMERS**

**Described in this issue.**
- Global Partners (CP, New York) New crude oil move.
- Great Northern Paper (MMA, Maine) First outbound paper by rail.
- Horizon Milling (ST, Massachusetts) New unit grain trains.
- Perma Treat (PW, Connecticut) Service restarted.
- Public Service of New Hampshire (ST, New Hampshire)Switched to truck.
- Transload America (PW, Rhode Island) Cut to 150 tons per day.

**PEOPLE, EVENTS**

[No report.]

**EDITORIAL**

Note: I thank all the people who responded to this note in the newsletter, or to newspaper articles in MaineBiz, the Portland Press Herald, the Kennebec Journal, and the Manchester Union Leader.

**YARMOUTH RAILROAD NEWSLETTER DEFENDS AGAINST PAN AM RAILWAYS LIBEL SUIT**

The following press release was released to news media on 1 November.

1 November, Yarmouth, Maine. **PAN AM ALLEGES THAT ANR&P HAS DEФEMED IT.** Pan Am\(^2\) and its former chief executive, David Fink\(^3\), filed a libel lawsuit in US District Court in Bangor on September 6, 2011 against *Atlantic Northeast Rails & Ports* and its editor, Chop Hardenbergh. The complaint [available on request] listed six statements the plaintiffs claim libelled the railroad and Fink.

Hardenbergh and his attorney, Sigmund Schutz of the Portland, Maine firm Preti, Flaherty, Pachios, and Beliveau replied on October 21, 2011 with a request to the court [available on request] to dismiss the claims. What Hardenbergh wrote, says the request, are “perfectly appropriate journalistic statements. [This is] a constitutionally impermissible attempt to silence a journalistic voice.”

Commenting on the lawsuit, Hardenbergh said that “Pan Am has not produced any facts showing that any of the statements are false.” He pointed to one instance, a December 2010 statement that Pan Am failed to station a locomotive or a crew in Concord, New Hampshire. “This is completely true. I just published an article last week [see 11#10A] saying they still have not stationed a locomotive or a crew there, even though they promised in 2009 to do that.”

---

\(^2\) Not to be confused with the Pan Am Airways show now running on ABC-TV. Pan Am Systems’ subsidiary Springfield Terminal Railway, the third plaintiff, operates trains from Schenectady, New York to Mattawamkeag, Maine. It also operates in New Hampshire as far as Concord, in Vermont as far north as White River Junction, and in Connecticut to Waterbury.

Pan Am Systems bought what remained of the old Pan Am Airways in the 1990s, and failed in an attempt to start a new airline under that name. It now licenses the name to the TV show.

\(^3\) The former chief executive, David Andrew Fink, should be distinguished from his son and the current president of subsidiaries of Pan Am Systems David Armstrong Fink.
Other statements are “pure opinion,” said Hardenbergh. “One merely calls Pan Am’s service ‘bad’. That’s an opinion. It’s still a free country.”

**Next steps**

Newly-appointed US District Judge Nancy Torresson is handling the case. If she does not dismiss it entirely, Hardenbergh will have the chance to question Pan Am and Fink about their claims that the six statements are false. “We have sent the plaintiffs a thirty-page data preservation request, listing the types of information that will be relevant. We will be asking about their entire operation.”

Pan Am is a privately-held company which reveals little about its inner workings. For example, Fink claims he “retired” in March, which Hardenbergh reported, using language Fink and the railroad claim is defamatory. However, Pan Am has never released a statement about Fink’s retirement, nor about his replacement.

Hardenbergh plans to ask Pan Am’s majority shareholder, the reclusive Timothy Mellon, more about the events surrounding the departure of Fink. Mellon and Fink founded Pan Am Systems in the 1980s.

Hardenbergh also plans to ask Pan Am’s partner, the major national railroad Norfolk Southern Railway, about the events as well.

**Request for assistance**

Hardenbergh called attention to an earlier case in which Pan Am, Fink, and Mellon filed suit against another journalist, Frank Wilner. At the conclusion, the US Court of Appeals for the District of Columbia told Pan Am, Mellon, and Fink that the First Amendment’s guarantee of freedom of the press protected even statements Fink and Mellon disapproved of.

Hardenbergh is facing substantial legal fees even if the case does not go to trial.* Though he said “I’m confident we will eventually win,” just as Wilner did, he has set up a legal defense fund at Preti Flaherty to assist with the costs. “I welcome contributions from those who support freedom of the press.” Contributions to the legal defense fund may be made to:

Atlantic Rails & Ports Legal Defense Fund  
o/o Jean Charron, legal assistant  
Preti Flaherty LLP  
One City Center  
P.O. Box 9546  
Portland, ME 04112

*In the 1 December 2000 issue of Hardenbergh’s newsletter, he published this excerpt from another transportation journal:

**The First Amendment wins a Pyrrhic victory**

In October, the District of Columbia Court of Appeals gave the First Amendment another victory in the case of *Guilford Transportation Industries, Inc v. Frank N. Wilner*. In Judge Frank E. Schweb’s elegantly-written opinion...the three-judge panel unanimously upheld Judge Ellen S. Huvelle’s ruling that Wilner’s op-ed article [in *The Journal of Commerce*] about the railroad company was not defamatory....

“We note that the plaintiffs elected to sue only Wilner, an individual who might be expected to have limited resources, and they did not include *The Journal of Commerce* as a defendant,” [Schweb wrote.] Legal fees of more than $200,000 soon depleted Frank’s life savings.’

‘Laura Handman, who filed a friend-of-the-court brief on behalf of *The Washington Post*, CNN, Gannett, *The New Republic*, and The Reporters’ Committee for Freedom of the Press, said: “The judges remarked that the plaintiffs had many means of which they could voice their response or their views, and they chose instead to seek as redress this form of litigation in particular that was very punishing to Mr.Wilner.”’ {Clayton Boyce in *Traffic World* (which he edits) 23.Oct.00}
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.

Pricing
Subscriptions cost $395 for professionals, $125 per year for students, young and old. (Subtract $30/year for e-mail).

Introductory prices available. The e-bulletin, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

Advertising
Subscribers may purchase half-page ads for $100 per issue. Non-subscribers, $200.

Copyright notice
PLEASE DO NOT COPY THIS NEWSLETTER, or forward it in e-mail format, in whole or in part. You receive it as a paying subscriber, or a potential subscriber. Passing it on without explicit permission of the editor violates copyright law, and diminishes the likelihood of our staying in business.

However, anyone may quote bits of articles, with attribution, under the fair use doctrine.

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.’