**REGIONAL**

**TIGER III**: Details of applications for rail and port projects for the region.*

**Pan Am**: Reorganizes marketing, sales, and customer service. Hires Bill Whitney.*

**Pan Am**: Repaints two locomotives in historical colors.*

**NEW YORK**

D&H: Global continues to receive crude unit trains.*

**QUÉBEC**

[No report.]

**CONNECTICUT**

Connecticut ports: Details of RFP for yet another study.*

**New London**: Details of RFP for State Pier. Map.*

**MAINE**

MMA: Millinocket mill to make torrified wood.

**Pan Am**: About to forfeit $500,000 because it has not paid a $1.5 million settlement.**

**Searsport**: David Cole views its bright future, with Northern Maine Junction as an inland port.*

**Cianbro**: The East-West Highway could link with Canso or Sydney.*

**SLR**: Bisson Transportation closes.*

**Vermont**

VRS: CTI expands in Lyndonville.*

**Maritimes**

NBSR/CN: Gypsum moves to Saint John differently.*

CN/Dalhousie: Port leases branch for 21 years.*

Halifax/Sydney/Canso: Peter Vigue insists Halifax is not the future.*

**rail shippers/receivers**

A cross-reference to companies mentioned here.

**people, positions, events**

Bill Whitney.

**Editorial**

Derailment leads one to ask: Why not let Peter Leishman run the Hillsboro branch?

**From the publisher**

Status of lawsuit

Pan Am filed its response to our motion to dismiss promptly on 21 November. We filed our reply 28 November [text of both available on request]. Now Judge Nancy Torreson, who today is deciding on the rights of the Occupy Augusta protestors, will decide whether to dismiss Pan Am’s lawsuit.

I continue to thank all the people who have encouraged me about the Pan Am’s defamation lawsuit [see 11#10B], especially those who have contributed to the legal defense fund. You may still do so:

Atlantic Rails & Ports Legal Defense Fund

c/o Jean Charron, legal assistant

Preti Flaherty LLP

One City Center

P.O. Box 9546

Portland, ME 04112

- Chop Hardenbergh Next formal issue 19 December
TIGER III: STATE APPLICATIONS*

31 October, DC. **NEW ENGLAND DOTS REQUESTED $307.6 MILLION OF TIGER III GRANTS,** in 14 grant proposals submitted to USDOT for Transportation Investments Generating Economic Recovery (TIGER) III.

In 2009 and 2010, Congress provided $2.1 billion in funding. This third round of TIGER applications, like the two before [see results of TIGER I in 10#02A, and TIGER II in 10#11B (which has a map of TIGER I grants as well)], is oversubscribed. Nationwide, state and local governments submitted 828 applications totaling $14.1 billion; $527 million is available. President Obama has directed USDOT to announce the winners by the end of this year. {USDOT press release 148-11, 15.Nov.11}

To compare amounts requested for freight to the other projects, the list below comprises all applications submitted by state departments of transportation. It also has selected freight projects submitted by other state, regional, and local agencies.

**CONNECTICUT**

Northwest Connecticut Rail Rehabilitation Project. The Northwestern Connecticut Council of Governments requested $13.2 million in its preliminary application to install new welded rail in Kent. [See 11#10B for HRRC detail.] The total project cost is $15.5 million with $2.3 million in non-federal match.

State Pier Improvements New London. ConnDOT requested $24 million to modernize the State Pier Facility in New London [see Connecticut] to accommodate a variety of cargo, including containers. The project will renovate the piers, relocate access roads, improve the bulkheads, pave storage areas, and construct a warehouse. The total project cost is $30.0 million with $6.0 million in non-federal match provided. {Phil Scarrozzo, Bureau of Public Transportation, ConnDOT, emailed summary of TIGER III Grants to ANR&P correspondent Kristina Egan, 29.Nov.11}

Barnum Landing, Ferry Improvement Project for I-95 Traffic Mitigation. The City of Bridgeport requested $14.8 million to create a new passenger ferry terminal for the Bridgeport & Port Jefferson Steamboat Company. *Only in Bridgeport* reports that the project will “preserve and enhance an existing commercial cargo facility, warehouse facilities, and result in a domicile for new Bridgeport-based tug and barge operation” as well as include shore improvements such as bulkheads, loading ramps and dolphins. {Only in Bridgeport, “Grant Application Pushes New Ferry Terminal in ‘Food Desert’ Area”, 3.Nov.11, online at onlyinbridgeport.com}. The total cost of the project is $30.0 million with $14.2 million in match provided by Bridgeport & Port Jefferson Steamboat Company. {project text 31.Oct.11 in onlyinbridgeport.com}

ConnDOT was a co-applicant with MassDOT and VAOT for the New England Connection project – see Vermont.

**MAINE**

Mountain Division Rail Project. MDOT requested $8.3 million to restore the Mountain Division, MP 10.3 to MP 32 through Windham, Gorham, Standish, and Baldwin to FRA Class 2 standards to meet projected freight rail shipping requirements. {ANR&P correspondent Egan discussion with Nate Moulton, Director Rail Program, MDOT, 29.Nov.11} The total project cost is $10.4 million with the state providing $2.1 million in match. {MaineDOT TIGER 3 Application, “Mountain Division (Maine) Railroad Restoration and Rehabilitation Project”, 26.Oct.11 MDOT website}
Seaport Downtown Improvements to Route 1. MDOT requested $5.6 million to reconstruct the arterial road through the historic downtown of Searsport. {MDOT website}

Maine Kennebec Bridge Replacement. $10.8 million to replace the structurally-deficient roadway bridge connecting Dresden and Richmond. {MDOT website}

MASSACHUSETTS
Rehabilitation of Merrimack River Railroad Bridge. MBTA requested $30 million to rehabilitate the Merrimack River Bridge in Haverhill to fully restore operations over the bridge and remove a congestion point along the Downeaster route. The bridge currently restricts passenger trains to 15 miles per hour and freight trains to 5 miles per hour. The total project cost is $42.9 million with a non-federal match provided at $12.6 million.

Berkshire County Rail Improvement Project. The Berkshire Regional Planning Commission requested $11.0 million to rehabilitate 8.2 miles of the Housatonic main line in Sheffield. The project includes bridge improvements, new ties and rail, safety upgrades, renewing turnouts and improving the highway interface for the Housatonic Railroad freight operations. The total project cost is $11.7 million with the railroad providing $738,000 in match.

Union Station Regional Intermodal Transportation Center. The Springfield Redevelopment Authority, with co-applicant MassDOT, requested $28.8 million to restore and rebuild Springfield’s historic station complex and create an intermodal center serving Amtrak, local and intercity buses, and planned commuter rail. The total project cost is $70.5 million, with a non-federal match of $14.3 million.
I-95 (Northbound)/Dedham Street Ramp/Dedham Street Corridor Improvements. MassDOT requested $24.5 million for road improvements here.

Freight Vessel Replacement. The Woods Hole, Martha's Vineyard and Nantucket Steamship Authority requested $20.0 million to replace one of the Steamship Authority’s freight vessels, the M/V Governor, with a new 235-foot passenger/vehicle ferry. The replacement vessel will provide additional truck carrying capacity. The total project cost is $25.0 million with $5.0 million provided in non-federal match.

Salem Wharf Construction. The City of Salem requested $13.5 million to finish the construction of a multi-use pier. The total project cost is $24.1 million with $8.1 million in non-federal match provided.

MassDOT was a co-applicant with ConnDOT and VAOT for the New England Connection project [see Vermont] and a co-applicant with RIDOT for the P&W Main Line Bridge Replacement Project [see Rhode Island]. {Guy Bresnahan, Office of Transportation Planning, MassDOT, email to ANR&P correspondent Kristina Egan, 28.Nov.11}

NEW HAMPSHIRE
New Hampshire-Vermont Rail Corridor (SLR) Improvement Project. NHDOT requested $7.3 million to upgrade 20.6 miles of the SLR with continuous welded rail, replacing rail that predates controlled-cooling manufacturing and bringing the entire SLR in the U.S. and SLQ in Quebec into compliance with the 286,000-pound railcar standard. In New Hampshire and Vermont, 17 miles and 3.6 miles, respectively, would be upgraded. The total project cost is $12.2 million with the railroad providing the match. {Kit Morgan NHDOT rail administrator, email to ANR&P correspondent Kristina Egan 23.Nov.11}

NEW YORK
Portageville Viaduct over Genesee River. NYSDOT requested $17.8 million to replace the existing NS railroad bridge that spans the Genesee River and is part of the Southern Tier route between Binghamton and Buffalo. The total project cost is $39.0 million.

Wireless Information for Sustainable Commerce and Surface Transportation (WISEST) Program. NYSDOT requested $21.6 million of the total $29.9 million needed to deploy improve electronic systems that will improve commercial vehicle and transit operations.

Rochester Intermodal Station. NYSDOT requested $20.8 million of the total $26.0 million needed to construct a new multi-modal station and high level platform to replace the existing Rochester Intermodal Station. The project includes associated track and signal work, improved parking capacity, ADA-compliance, and better connections to buses and walking and biking facilities. {Bob Zerrillo, NYSDOT, email to ANR&P correspondent Kristina Egan 23.Nov.11}

RHODE ISLAND
P&W Main Line Bridge Replacement Project. RIDOT, with co-applicant MassDOT, requested $30.2 million to rebuild five railroad bridges along PW's main line between Providence and Worcester. The total project cost is $37.8 million with P&W providing the $7.6 million match. {ANR&P discussion with Steve Devine, RIDOT, 22.Nov.11} According to MassDOT’s summary of TIGER III submissions, this is 'the final improvement necessary to accommodate 286,000-pound traffic in southern New England (including ports in Providence and Davisville) and to furnish access to existing 286,000 pound rail corridors, including Class 1 interchange partners, leveraging previous federally investments throughout New England.' {Guy Bresnahan, Office of Transportation Planning, MassDOT, email to ANR&P correspondent Kristina Egan, 28.Nov.11}

VERMONT
New England Connection. VAOT, with co-applicants Connecticut and Massachusetts, requested $38.1 million
to upgrade the 326-mile NECR line from 263,000 pounds to the 286,000 pounds. According to VAOT, ‘The project will complete the final link of a Port of Montreal, Canada to a Port of New London, CT … route serving the New England region in one contiguous, north-south corridor.’ The total project cost is $52.6 million with NECR providing $14.4 million and the state of Vermont providing $124,000 in match funding.

[More broadly, proponents want to pursue passenger service. See Regional 11#10B.]

Western Corridor Freight Rail Improvements. VAOT requested $12.1 million to replace 17.4 miles of rail with continuous welded rail to improve speed, reliability, and safety of VTR between Rutland and Burlington. The total project cost is $15.1 million with the state of Vermont providing $3.0 million in match funding. {Costa Pappis, Policy and Planning Division, VAOT, email to ANR&P correspondent Kristina Egan 28.NOV.11}

PAN AM: NEW CUSTOMER SERVICE*
18 November, North Billerica. PAN AM HAS REORGANIZED MARKETING, SALES, AND CUSTOMER SERVICE, it announced. Excepts from the announcement:

This reorganization will enable us to provide system-wide sales coverage so that we can interact with our customers in a proactive manner. As a rail shipper in a hectic economic climate, you expect personalized service and we are making the necessary changes to be able to provide this level of attention.

[Bill Whitney joins the team]
To help us accomplish this goal, two highly-experienced employees have joined the team. First, Roger Bergeron will

Advertisement

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

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

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

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

Side-track leasing: Up to 20 car spots.

Located 60 miles north of New York City.

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

Removal, reuse, and disposal of track materials.

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

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

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

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

mailing address: 42 Argenio Drive, New Windsor, NY 12553
assume the role of vice president of industrial development; he is a 40-year plus veteran of Pan Am, Guilford, and Boston & Maine. In this role he will be able to utilize his extensive background in railroad engineering to help establish new customers and assist existing ones to expand. Roger will also cover the Eastern Massachusetts and New Hampshire sales territory.

Second, Bill Whitney has joined us as director of sales. Bill will provide support for customers in Maine and New Brunswick. Bill has worked in the feed industry for 40 years for Ralston Purina and Blue Seal Feeds. In addition to sales, Bill will serve as the market manager for grain related commodities.

Jill Breen will take on a new role in the department as sales representative, covering the territory of the Pan Am Southern. Lastly, Sam Lewis, another recent addition to the team, will provide outside sales support in Connecticut.

Providing office support for sales will be the familiar marketing team led by Executive VP/Chief Commercial Officer Mike Bostwick. Pricing requests should continue to flow through Mike Clements and Debra Johnson Berube. Sam Lewis will be taking on pricing responsibilities for certain commodities in the near future as well. Customer Service will still be handled by Kristin Marciello. Please contact Kristin with any of your service questions or concerns at 800-955-9212 and she will be happy to help you.

New Transportation Services Group

A Transportation Services Group has been added to the Transportation Department, led by newly appointed Superintendent-Transportation Services Doug Steward. This group includes a staff of transportation service representatives (TSRs) who previously were part of the Accounting Department. Their work product provides the link between customer and train crew and is essential to initiating and thereafter correctly reporting the movement of the individual freight car.

Also included within Transportation Services are car-control, car-hire billing, and e-business solutions—computer training and support for Pan Am Railway’s employees and customers....

Near-term (within the first 100 days) ...goals of Transportation Services
- Establishment of 24/7 Transportation Service Representative (TSR) coverage.
- Train and qualify a dedicated corporate trainer for our ShipperConnect customer software system.
- Improve system-wide accuracy for car location reporting.
- “The 60 minute goal.” With the exception of yard classification switchers, update all car movements and consignee work in the computer system within 60 minutes of being reported to a TSR.

This increased customer support, complimenting recent capital investment in track and locomotives and the hiring and training of additional train crews, will provide an improved service that will take Pan Am Railways to the next level so that we may continue to grow together. {text of announcement}

Some reaction

Tom Hall of the Committee for Better Rail Service in Maine hoped that the announcement meant actual service would improve. He would like to see announcement of “an ambitious locomotive rebuild program, of tens of thousands of ties going in.” {ANR&P discussion 30.Nov.11}

PAN AM: MONEY PROBLEMS?*

28 November, North Billerica. **PAN AM RAILWAYS PLANS TO ROLL OUT A GP9 IN MAINE CENTRAL** paint before week’s end, the second locomotive to commemorate its predecessors. The company painted a GP9 in the “Minute Man” colors of predecessor Boston & Maine earlier this year.

Cynthia Scarano, company executive vice-president, said the company decided to paint the locomotives in the historic schemes because “the railfans are really big on this kind of stuff. We thought it would be nice to bring out some of those old schemes to show on the railroad.” Pan Am is choosing GP9s for its “heritage” program because the locomotives are in need of repainting. The railroad’s Waterville, Maine, shop is applying the new liveries. {Trains 28.Nov.11}

**Waterville Shop can afford this?**

Tom Hall of the Committee for Better Rail Service in Maine said he continues to hear reports that the repair shops in Waterville do not have adequate replacement parts and supplies. {e-mail to ANR&P 29.Nov.11}
NEW YORK

D&H: UNIT TRAINS*
28 November, CP lines. **CRUDE OIL CONTINUES TO MOVE TO ALBANY** to the Global terminal there [see initial train in 11#10B]. Reported on this day:

#696-120 departed Rouses Point at 2315 hrs, 81 cars.

#696-906 rippling through for a 0700 hrs arrival at St Luc, 74 cars.

#696-005 originating Flaxton, ND rippling through for a 2055 hr arrival at St Luc, 82 cars. {D&H e-list}

CONNECTICUT

CONNDOT: ANOTHER PORT STUDY*
5 October. **CONNDOT IS TASKED WITH OBTAINING ANOTHER STUDY OF THE COMMERCIAL VALUE OF THE STATE'S NICHE PORTS.** As a result, four state agencies – the Departments of Economic and Community Development (DECD), Transportation, Energy and Environmental Protection, and the Office of Policy and Management – are working together on a long-term plan for economic development of Connecticut’s deep water ports, including a focused effort at growing maritime industry jobs. Earlier this year, the Connecticut General Assembly in Public Act 11-57 required the state to develop a strategy for economic development of the ports in New Haven, New London, and Bridgeport.

"We already know that our maritime industry is a large and critical component of the state’s economy. What’s been missing is a solid understanding of the market in which our ports operate, and a detailed strategy for how the state can best partner with and support the ports within that marketplace," said Catherine Smith, DECD commissioner. "The study will use a market-based analysis to guide public and private infrastructure investments to ensure we're doing the right things, in the right order, to position Connecticut's ports for realistic opportunities and achievable outcomes."

According to the RFP, the final analysis will include: a full inventory of current port facilities; detailed profiles of transportation accessibility to the ports; a market analysis, including a list of markets or regions which can be serviced by Connecticut ports; a comprehensive strategy for economic development of the deep draft ports, including short- and long-term strategic initiatives and action plans; and, a plan for providing grants-in-aid for improvements to ports and marinas, including dredging and navigational direction.

Due dates
Proposals were due 26 October, the state will decide by 10 November. The consultant will start 15 December, and finish 2 April. {quotes from State press release, dates from RFP at http://www.biznet.ct.gov/scp_search/BidDetail.aspx?CID=23185}

Consultant is now selected
In selecting the study consultant, the Office of Policy and Management had the lead. The RFP timeline was very tight. The submittals were scored by a panel consisting of the four state agencies as well as representatives from New Haven, New London and Bridgeport. The top three consultants were interviewed by the evaluation panel. The interviewees were notified of who was selected/not selected. Negotiations with the selected consultant are now proceeding, according to Chuck Beck, ConnDOT representative and administrative support for the Connecticut Maritime Commission, but he could not divulge the identity of the consultant. {minutes of the Informational Meeting 16.Nov.11}
Why another study?
The 'Study of a Strategy for the Economic Development of the New Haven, New London, and Bridgeport Ports' (the Port Study) was the idea of a particular state representative who inserted the language in legislation at the end of last session in May 2011.

Before doing so he was advised of numerous studies on the economic values of the ports, one as recent as 2009 by the Connecticut Maritime Coalition, but he was not convinced that another study was not needed. A Port Study “work group” – representatives of the entity on the evaluation panel – was able to craft the study RFP to focus on determining the market as opposed to rehashing what is already known.

Why will ConnDOT select the State Pier operator before the study is done?
Some ask about the timing of the State Pier RFP and the Port Study RFP. The State Pier RFP started over a year ago as the Needs and Deficiencies Study. The timeline of the State Pier RFP is driven by the fact that the current leases at the State pier Facility expire on 31 January 2013. The Needs and Deficiencies Study has already addressed the potential markets for the State Pier.

If as both RFPs proceed ConnDOT perceives a need to slow the timeline of the State Pier RFP, language in the RFP allows that.

The Port Study will be done if not exactly on April 2 very shortly thereafter, by definition. {e-mail to ANR&P from a member of the Connecticut maritime community}

NECR/NEW LONDON: PIER RFP
5 October, Newington. THE RFP WAS RELEASED FOR 'THE PREMIER SMALL PORT FACILITY ALONG THE MARINE HIGHWAY.'

[ConnDOT's commissioner] pursuant to the provisions of Sections 13b-53 of the Connecticut General Statutes, as revised, will entertain proposals which are not intended to be, nor will be considered as bids, but only as proposals, from interested proposers for the management and operation of the State Pier Facility ("Facility"), New London, Connecticut.

The agreements entered into as a result of this Request for Proposals ("RFP") will be for no less than ten (10) years, with a mutually agreed upon option term of up to five years dependent on the nature of the Proposal. The decision to allow any such option shall be at the Commissioner's discretion and shall be based on the selected Qualified Proposer's performance and compliance with all agreement terms and conditions during the initial term.

The Commissioner's objective is to provide a port facility that enhances business and commerce in the State of Connecticut, and realizes acceptable revenue generation to the State, consistent with good business practices. The commitment to market shipping cargos through State Pier, provide necessary operating equipment, offer competitive pricing, and the professionalism of the employees servicing the Facility will be evaluated. {cover sheet}

According to answers to questions, ConnDOT envisions the pier as 'the premier small port facility along the Marine Highway in New England.' Bids are due 7 December.

The property
As shown on the map, the facility offers five warehouse-type buildings, rail service by NECR, and two piers (eastern is Scheer, western is 'long' or 'CVR' pier (Central Vermont Railroad, predecessor to NECR). ConnDOT is seeking funds for infrastructure improvements which it hopes will begin in 2013 [see TIGER article].

The state has earned an average of $400,000 per year from the pier. Details were listed in an appendix to the answers to questions.

Existing lessees
In responses to questions about the RFP, Chuck Beck, transportation maritime manager, ConnDOT Bureau of Aviation and Ports, wrote that Logistec USA is the primary lessee/port operator and controls most of the acreage. Thames River Seafood leases the western half of the CVR pier, and New England Shipping leases a small office in the State Pier administration building. All leases end on 31 January 2013.

Who attended the non-mandatory meeting?
The list of those who came to the 19 October meeting:
Ceres (three)
Select Financial
Thames River Seafood Co-op (two)*
Milone MacBroom
Mohawk Northeast
Logistec USA (three)
Portia Management Services** {list from Beck}

*Bill Costigan said Thames River would be bidding on the facility.
** Erika Courtade said whether her company would be is still “in the works.” {ANR&P discussions 29.Nov.11} According to its website, Portia Management Services was established in 1978 and is the international arm of Peel Ports Limited, the U.K.’s second largest ports group handling around 65 million tonnes of cargo annually. It is associated with International Port Management.

**EXHIBIT C Aerial Photograph

New London. State Pier property. {from Needs and Deficiencies Study}

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**MAINE**

**MMA: PROMISING NEWS**

1 December, Millinocket. GREAT NORTHERN’S OWNER PURCHASED TORRIFIED WOOD TECHNOLOGY, several officials said. Cate Street Capital subsidiary Thermogen spent $20 million to buy exclusive North American rights from Scotland-based Rotawave Biocoal to manufacture the ‘Targeted Intelligent Energy System’ (TIES) which would replace coal burned at electricity plants, Cate Street
spokesperson Scott Tranchemontagne said.

First use: Millinocket
Thermogen has solidified plans to install five or six TIES machines, costing $35 million each in Millinocket starting in November 2012.

The first machine would supply United Kingdom utilities with biocoal, Cate Street Senior Vice-president Richard Cyr said. Engineers are drafting plans to site the machines at the Millinocket mill [purchased, along with the now-restarted East Millinocket paper mill – see 11#11A]. Cate Street hopes to have the design and financing ready within four months, with mill site work possibly beginning then as well, Tranchemontagne said.

The mill could produce at an annual rate of 100,000 tons by the end of 2012, and with additional machines there and elsewhere in North America, Thermogen’s total torrified wood production could reach one million tons per year.

Transportation by rail and ship
Britain now has a requirement to replace the dirtier coal with other products. Thermogen would rail its product to Searsport for shipping to Britain.

Raw materials will arrive by truck and rail. The paper mills and Thermogen will benefit by proximity to the Golden Road and its vast supply of wood, Cyr said.

Local comment
Millinocket Town Manager Eugene Conlogue said he saw the logic of Cate Street’s interest in biocoal and its attraction to the Katahdin region and its papermaking almost immediately. “This is becoming a giant octopus with its tentacles reaching out in all different kinds of directions, all benefiting parts of the state. This has good news written all over it. They are keeping their word. They are not coming in here with highfalutin’ promises that are not being fulfilled. They have a very good plan, they are following the plan and it will do nothing but benefit Millinocket as well as the entire Katahdin region.” {Nick Sambides in Bangor Daily News 1.Dec.11}

PAN AM: MONEY PROBLEMS?**
22 November, Bangor. FRONTIER COMMUNICATIONS ALLEGED THAT PAN AM WAS NOT PAYING ON A $2 MILLION SETTLEMENT.

Factual background: contamination
The case involves coal tar contamination of a portion of the Penobscot River known as “Dunnett’s Cove” in Bangor. In 2002, the City of Bangor sued Citizens Communications [now Frontier Communications], the successor of a series of corporate entities that owned and operated Bangor Gas Works. Citizens, denying it was responsible for the pollution in Dunnett’s Cove, in 2007 filed its own suit against a dozen companies, including Guilford and Maine Central, alleging that they should pay for the cleanup because they, not Citizens, were responsible for the plume-shaped coal-tar deposit. Some of those companies then sued fourth parties.

In July 2007, the federal court in Bangor ruled that Citizens must pay $7.625 million toward the cleanup. However, the group could still pursue claims against Guilford et al to recoup some of that total. The settlement allowed the city to move forward with the cleanup. {Eric Russell in Bangor Daily News 27.Aug.09}

Since approximately 1862, Maine Central operated a rail yard along the banks of Dunnett’s Cove. Until approximately the 1960s, sewers from the rail yard drained directly into the Penobscot River. The Citizens
complaint stated: ‘A 1984 report on a spill at the Rail Yard described “negligence, apathy and inappropriate testing of equipment,” as well as a prevalence of “archaic attitudes” toward environmental pollution.’

The settlement
On 3 June Federal Magistrate Judge Peggy Kravchuk accepted a settlement among parties Pan Am, Maine Central, Frontier, Maine Department of Environmental Protection, and the State of Maine. Pan Am and Maine Central agreed to liability of $2 million.

But Pan Am could lower that amount to $1.5 million: $300,000 with the entry of the decree on 3 June, and ten monthly installments of $120,000 each. If Pan Am failed to make the payments, and to cure the failure within 45 days, it would owe the full $2 million plus interest and attorneys' fees.

Failure to pay; request for enforcement
Pan Am did not pay the first $300,000 until 26 August, Frontier said in its Motion for Relief. Furthermore, it did not make any of the monthly payments. Frontier asked the court to enter a judgement against Pan Am for the full $2 million, and request the court to order Pan Am to pay the balance due of $1.7 million plus interest and fees.

Pan Am's response is due on 13 December. {Maine federal district court website, case 01:07-cv-113-GZS}

ANOTHER RECENT SETTLEMENT
In June 2011, ST agreed to pay to Union Tank Car $156,135.80, in six monthly installments, by Union Tank making equal direct withdrawals from an ST account at Citibank. {Massachusetts federal district court website, case 1:11-cv-10102} Union Tank twice sued ST earlier [see 06#09A].

A review of federal district court cases in Massachusetts showed a marked decline in cases seeking funds which were filed against ST after 2009.

CIANBRO: EAST-WEST HIGHWAY**

10 November, Bangor. THE EAST-WEST HIGHWAY COULD CHANGE MAINE, AND THE PERCEPTION OF MAINE, argued Peter Vigue in a presentation to the Maine Transportation Logistics Forum.

More viable because of Canso and Sydney
Vigue said Halifax would not become the primary container port, despite its capacity [see Maritimes].

“Melford or Sydney will happen. See how the blue line interconnects....Let's leverage those assets...

In the next ten years transshipping will happen in Atlantic Canada. Why not [run that traffic through] Maine?”

The route (some rail-to-highway)
The route, Vigue pointed out, will use existing woods roads [and through Dover-Foxcroft, part of the former Bangor & Piscataquis Railroad – later the Bangor & Aroostook {Rail Lines of Northern New England, Robert Lindsell, 2000}] Moreover, the right of way will be two thousand feet wide, and can be used for utilities.

Past studies suggested following US Route 2, which would cost $12 billion and take 25 years. “That's not going to happen in Maine. It needs to be a private highway” supported by tolls.

Time saved
Vigue said the East-West Highway could save two to four hours. 1 To reach four hours, Vigue said on 5

1 Per Google, Moncton via Fredericton to Montreal runs 993 kilometers over the top taking 11 hrs 29 min. Using current

“You publish one of the most interesting rail newsletters and one of the very few with original material.”

- Charlie Marshall, former president and chief operating officer, Genesee & Wyoming
December, requires raising the speed limit on the Highway to 75 miles per hour.²

**Health of Maine**
Vigue also spoke about many other opportunities for the state, one being health. “Maine is the most unhealthy state in the United States. Seventy-five percent of all health cost is self-induced behaviour. Maine should become a national laboratory” for efforts to change that. He referenced his own company: “In 1996 Cianbro was a high-risk [in health] company, it’s now low-risk.” The company did that by a zero tobacco policy, and by rewarding people for good effort.

**Status of the proposal**
To obtain investment for the Highway, Vigue needs an “independent market study.” Cianbro cannot fund it. A bill is now before the Legislative Council for funds to pay for the study. State Senator Doug Thomas (R, Ripley) asked the audience to contact the Council to support the bill. {ANR&P coverage}

Bill passes Legislative Council. By late November, Thomas could report that the Council had approved the bill. The Maine Legislature will vote on it in spring 2012. Thomas also said people like Vigue have been doing some great behind-the-scenes work to bring the project closer to reality, including bringing high-level officials in Quebec and New Brunswick on board.

Thomas said he doesn’t believe government could or should fund this project. Governor LePage has suggested that funds from the Maine Turnpike Authority could be used to fund an East-West highway. One of Vigue’s most recent ideas was to lease the median strip of Interstate 95 to Bangor Hydro, which could run a utilities line from Canada through Maine to the rest of New England. Those lease payments would help finance the project.

Thomas’ bill, if approved, would fund just a feasibility study that he believes would cost somewhere in the neighborhood of $300,000.

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² Trucks running at 75 mph (120 kph) on the Highway for its 300 kilometers will reduce the Moncton-Montreal time by at least four hours.
State Representative Ed Mazurek of Rockland, the ranking Democrat on the Legislature’s Transportation Committee, said, “I think funding is going to be the major stumbling block in any project and it would be almost prohibitive the way things are going right now.” Mazurek added the route is not decided. “The people in the northern section want it up there but that may not be the best area,” he said. {Eric Russell in Bangor Daily News 26.Nov.11}

Vigue update. On 5 December, Vigue said that some news on the study would emerge in a week or so. {ANR&P discussion}

SEARSPORT: BRIGHT FUTURE?*
10 November.  **THE 2007 CORNELL GROUP STUDY OF MAINE’S PORTS SHOULD BE UPDATED**, said David Cole, former MDOT commissioner, at the Maine Trade Logistics Forum in Bangor. "There is a niche for Searsport in containers. The economy will come back. It's a good time to update the Cornell data."

Available land
In addition to the 130 acres available at Sears Island [see map in 06#08], GAC Chemical just north of the island has 110 acres available. [See 11#11A.]

Dredging
The US Corps of Engineers is working on a feasibility study for a $15 million dredging project which will lower the depth from 35 to 40 feet.³ That will require a local match of about 25%.⁴

Eastport at a natural 64 feet has the deepest water in the US East coast. "Searsport does not have that good fortune." But looking at the existing containership fleet, "a lot of those ships can get into Searsport."

Inland port at Northern Maine Junction
Cole pointed out that NMJ lies only 25 miles from Searsport, the same distance as Houston lies from Galveston, and could form an inland port. NMJ has excellent rail connections (MMA's double-stack cleared lines and ST), road connections (I-95 and Route 2), and the nearby Bangor International Airport.

Exports: Maine could catch up
Bob Ziegelhaar [former Bangor airport director – see 00#12] now works independently in the area of international market development. He told the group that Maine per capita exports come to $2500/capita, the country $3500/capita, but Germany has $35,000/capita. In Germany, these are not big companies but small businesses. “Our small businesses are not exporting.”

SLR: TRUCKER CLOSING*
18 November, Auburn. **BISSON TRANSPORTATION IS CLOSING, AND WILL LET GO ITS 61 EMPLOYEES OVER THE NEXT TWO WEEKS.** President Bob Cooper said the company could not find enough owner-operator truck drivers to make its long-haul trucking operation profitable, and that it was unable to afford the incentives and bonuses larger companies offer to in-demand drivers. The company has about 38 drivers, but needed about 60.

[Bisson sold its co-owned rail-truck transload and warehouse in 2009—see 11#11A.]

Brokerage for paper mills will remain
Other company divisions – Bisson Moving & Storage, Bisson Document Security and Bisson-I&R

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³ Preparation of the draft feasibility report including project costs, economic benefits and environmental assessment will be completed in 2011. Public review of the draft feasibility study and environmental assessment is planned for first quarter of 2012. {Update Report for Maine current as of 30 September 2011, USACE}
⁴ The 2009 Maine Transportation bond bill, passed by the voters, allocated $1.25 million as part of the state match. The Corps will provide the $11.75 million, and Maine must secure an additional $3.5 million. {Maine Trails 8-9.09}
Commercial Services – will remain open in Westbrook. The company will also continue to handle freight brokerage and yard services for Maine paper mills, and transport goods from mills to warehouses. {Lindsay Tice in Lewiston Sun Journal 18.Nov.11}

MASSACHUSETTS

NS/ST: NIMBYS VOTE NO*
9 November, Revere. VOTERS OPPOSED ETHANOL THROUGH REVERE BY TRAIN, in a local non-binding ballot initiative. The Ethanol Train ballot question won 4,603 votes to 1,055, with 3,911 blank votes.

Conversations with poll workers on Election Day confirmed that the question was difficult to understand and far too small for many elderly to see.

“I apologize, really, because the confusion of the question was my fault,” said organizer Ed O’Hara. “I congratulate all the people who came out and voted against Ethanol Trains. The fight will continue.” {Seth Daniel in Revere Journal 16.Nov.11}

Localities have no say
If the facility is operated by a railroad, resistance by Revere is futile: 'In this decision, the Board determines that the operation of an ethanol transloading facility owned by Norfolk Southern Railway Company (NS) within the City of Alexandria, VA (Alexandria or the City), constitutes transportation by rail carrier and, therefore, is shielded from most state and local laws, including zoning laws, by the preemption provision in 49 U.S.C.10501(b).' (Emphasis added) {City of Alexandria, Virginia—Petition for Declaratory Order, STB Finance Docket No. 35157 17.Feb.09}

RHODE ISLAND

GUEST EDITORIAL: NEW ENGLAND PORTS, PROVIDENCE EXAMPLE
On 14 November, a Providence Journal editorial noted the plan of Sims Metal to create a scrap export operation on Allens Avenue, and praised current Mayor Taveras for viewing the city's waterfront differently from earlier mayors who could see only condominiums.

'There are more than enough pretty places in Rhode Island — and indeed Providence — to exploit for tourism and condo development without destroying one of the region’s key economic assets. Mayor Taveras deserves credit for dropping the attempt of previous mayors to rezone the Allens Avenue area for extensive mixed use, something that would almost certainly have brought in condo/hospitality business developers (and campaign contributors) while putting less glitzy (but much better-paying) existing businesses at risk. City officials now plan to add only office development to the mix for the port area. The financial crash was aided and abetted by grotesque over-development of condos. Let’s get back to real, broad-based-wealth creators — trade, manufacturing and technological innovation.

'The mayor and his economic-development director, James Bennett, clearly understand the importance of industrial jobs and a port infrastructure to Rhode Island’s future. This is a significant competitive advantage that Providence has over landlocked cities of the Midwest, for instance.

'Troubled developer Patrick Conley, who hoped that the plan for condos and hotels might bail out his wharf property, now in bankruptcy proceedings, once called the businesses along Allens Avenue “dinosaurs.” [See 07#09B.] But, as the housing market crashed, an old-fashioned working port, with old-fashioned blue-collar jobs, proved remarkably resilient. [The Sims purchase] is good news for southeastern New England, which benefits from a thriving port and associated industries in Providence.'
**VRS: CUSTOMER EXPANDS**

18 November, Lyndonville. **COUTURE TRUCKING CONTINUES TO EXPAND THE GRAIN TRANSLOAD OPERATION here.** One silo in January [see 11#04A] has multiplied to six in October.

Jean Couture, head of the operation, explained “we cleared more of the [unused] rail property and added five silos. We need three more to accommodate different grains.”

*Why the additional, smaller silos*

Most of his customers brew craft beers, Couture explained. No one uses a lot of any of the various barleys and other products he handles. Some of them “only need a handful to change the flavor.... A truckload of the product might go them a month or two....The small, specialty beers are a neat little niche” which “does not go crazy. We love what we are doing.”

**Inbound European malts**

CTI is now receiving German and Belgium malts in ocean containers, trucked from Montreal. Each container has a liner with an opening in it, behind steel bars inside the container doors. To unload it, CTI uses an onsite dump unit which can pick up the container and pour the contents into the same augur it uses to unload other trucks or railcars.

**Inbound North American**

CTI is receiving inbound cars, about 300 per year, from British Columbia, Saskatchewan, and Alberta. “This is much better than receiving a truckload from thousands of miles.” CTI's goal is to receive a full car, store the malt in a separate silo, and then when the truck or car is loaded for the trip to the brewery, “the malt is already on the East coast.”

**Outbound Orleans**

From the original site, Orleans, CTI trucks product to Magic Hat in Burlington, which “takes 1.5 cars a week,” and northern New York, destinations better served from Orleans. Trucks can drive through northern Vermont. Moreover, the truck depot is close to Orleans.

**Outbound Lyndonville**

From Lyndonville, CTI can truck to western New York, such as F.X.Matt Brewing Company in Utica, western Pennsylvania, West Virginia, and New Jersey.

**Outbound railcars**

CTI is beginning to send out railcars with three different grains. Couture explained that the Brewers Supply Group prepares the plan, and tells CTI that brewery B wants malts X, Y, and Z. CTI has done two cars, and may do another three or four by the end of 2011.

**The future**

Couture has put a lot of personal money into” the new facility, and recouping it will take ten years. “VRS have
been a very cooperative partner in helping make this project happen. We look forward to a long working relationship.” {ANR&P discussion}

GRAIN BY CONTAINER IS BOOMING

About 60 million bushels of grain will move through BNSF Logistics Park-Chicago, opened in 2002 in Elwood, Illinois, and Union Pacific’s Global Four opened in 2010 in Joliet.

The amount of grain shipped from the two properties has doubled during the past five years and now amounts to about 20 percent of all corn and soybeans exported from Illinois, said Jeremy Grey, vice president for infrastructure and transportation for Oak Brook-based CenterPoint Properties, which developed the intermodals and the surrounding business parks.

The operations have grown so big that Clinton, Wisconsin-based DeLong Company, the country’s largest grain exporter, moved local operations into Union Pacific’s intermodal park this summer to be closer to the rail lines, Grey said. About a year ago, Minneapolis-based Cargill [which rails grain in cars to Ayer—see 11#10B], another large grain distributor, moved into the BNSF intermodal park. {Cindy Wojdyla Cain in Sun-Times Media 18.Nov.11}
MARITIMES

NBSR/CN: GYPSUM MOVE*

23 November, Saint John. ATLANTIC WALLBOARD IS GETTING A NEW SPUR. The subsidiary of the J.D. Irving Group is constructing an 800-metre rail spur line that will accommodate cars hauling natural rock gypsum to its manufacturing plant.

'The spur will be operational within the next two weeks and be used to bring natural rock gypsum to the plant for processing,' wrote Irving’s Mary Keith. 'Previously, AWL solely used synthetic gypsum but due to its lack of availability AWL is now required to import natural rock gypsum.'

The newly-constructed spur will tie into an existing rail line that enters the plant near Bayside Drive and runs parallel to the wallboard plant. The plant plans to source rock gypsum from Nova Scotia and with the plant running at full capacity “we would use up to 3,000 rail carloads per year,” Keith said. She did not indicate where in Nova Scotia the gypsum would be obtained. {Mary Keith in an email to ANR&P’s correspondent Tom Peters 22.Nov.11}

Former synthetic sources
AWL had used [see 07#11A] synthetic gypsum from NB Power’s Coleson Cove generating station near Saint John [see 05#07A], but that plant operates only sporadically due to high fuel oil costs.\(^5\) It was receiving a significant amount from the Belledune power plant [see 09#01B] and Coleson Cove.

Keith wrote on 30 November: 'There is not sufficient supply of syngyp from Belledune and Coleson Cove to support the production capacity at AWL. For this reason rock gypsum is also part of the supply chain.' {e-mail to ANR&P}

CN/DALHOUSIE: DEAL FINAL*

1 December. THE LEASE OF THE SPUR TO THE PORT WAS ANNOUNCED [see 11#09B]. The 9.8 kilometers between Dalhousie and Dalhousie Junction is leased by the Port of Dalhousie for the next 21 years. CN has agreed to maintain the track and work any customers that may arise. A name is under consideration and two mentioned are 'The North Shore Railway' and 'NB Northern Railway'. {Canada East News Service

\(^5\)The high cost of using Coleson Cove has meant the generating station is rarely used. It is often cheaper for NB Power to purchase electricity from the United States and import the power into the province. {Daniel McHardie in CBC News 19.May.11\} Owner NB Power wanted to convert it to burn Venezuelan-supplied Orimulsion; that deal fell through, and it began to receive limestone, landed in Saint John, to scrub emissions.
HALIFAX/SYDNEY/ MELFORD: EAST-WEST HIGHWAY*

10 November, Bangor. **HALIFAX CANNOT SERVE AS A PRIMARY PORT FOR THE REGION**, argued Peter Vigue, president of the Cianbro Companies, in a major speech to the Maine Transportation Logistics Forum. “Wes Armour [who operates Armour Transportation Group, headquartered in Moncton, New Brunswick] operates 1500 rigs. He says getting into and out of Halifax is hell. It's inefficient, it's congested. He can tie a rig up for three plus hours just to get a container. It's not going to happen” that Halifax will become the major port.

**East-West Highway**

Vigue continued. “Melford or Sydney will happen. See how the blue line interconnects....” [See *Maine.*] 

**Halifax disagrees**

Michele Peveril, Halifax Port Authority spokesperson, pointed out that Calvin Whidden, chief of the Ceres operation at Fairview Cove, said via improvements the facility has “dramatically improved terminal truck turnaround.” Halterm, as part of a $30 million improvement, has a new reconfiguration of truck gates.

Outside the truck gates, the Halifax Regional Municipality has reconfigured streets in the past two months. Some which serve Halterm, such as Lower Water Street, have become one-way, in part to improve traffic flow.

Finally, Peveril observed that for the port, “70% of the container cargo moves by rail. The remaining 30% is split between truck and short-sea.” Our future is notably tied to rail efficiency by key inland markets.”

**RAIL CUSTOMERS**

Described in this issue.

Atlantic (NBSR/CN, New Brunswick) New spur.
Couture (VRS, Vermont) Expands grain business.
Global (D&H, New York) More crude trains.
Global (NS/ST, Massachusetts) Revere “no”.
Thermogen (MMA, Maine) Rail for torrified.

**PEOPLE, EVENTS**

**Bill Whitney**, who formerly handled transportation for Blue Seal, has retired and taken up a new position in sales for **Pan Am Railways**. [See other changes in *Regional.*]

**EDITORIAL**

**WHY NOT SELL THE HILLSBORO BRANCH?**

Peter Leishman, owner and operator of MBRX, reports that around 2300 on Friday, 2 December, a Pan Am train enroute to Hendrix in Milford New Hampshire derailed three cars. Two empty chemical cars and one loaded Hendrix car went off the rails. Two Hendrix cars behind the derailed cars stayed on the tracks.

Leishman has often said that his track, which he leases from the state, is maintained better than Pan Am's. Moreover, he has offered to lease the Pan Am track, and provide service to Hendrix. To operate to

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6 I infer that only 15% of the container traffic moves out by truck. Thus even if truck access were difficult, the dominance of rail means that neither Canso nor Sydney will become the main port because of the East-West Highway truck access. *Editor*
Hendrix, some 14 miles up the branch, to deliver a few cars a week falls far short of the 100 carloads per mile per year rule of thumb for a profitable line. The track condition reflects the meager traffic.

Yet Pam Am has consistently refused to deal with Mr. Leishman on this question. Why?