Formal issue 12#02A 16 February 2012

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

REGIONAL

NECR-PW: New Great Eastern Route is new?
MMA: Nears complete one-person operation.
Newport branch for sale.*

NEW YORK

Albany Part III: Last part of overview. 2011 stats.*

QUÉBEC

[No report.]

CONNECTICUT

[No report.]

MAINE

Searsport: New crane could generate new traffic.

MASSACHUSETTS

GU: Upton has eight questions from its Railroad Committee. January operations.**
PAS: Business park in Westminster may get freight rail access.*

NEW HAMPSHIRE

MBRX v Pan Am: No mediation. Schedule of pleadings.

MBRX/NHDOT: RFP “soon.”

RHODE ISLAND

[No report.]

VERMONT

VRS-Amtrak: Ethan Allen on-time much better.

VAOT: Governor's proposed FY13 rail budget.*

MARITIMES

Halifax: ACL extends service to Baltic.

Halifax/Montreal: Why one is doing better.

Belledune: Looks to Newfoundland ferry service.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

[No report.]

FROM THE PUBLISHER

Albany report

This formal issue contains the final part of our long report on the Port of Albany. Correspondent Laurel Rafferty's coverage has received rave reviews, because the report explains a complex situation.

First, the port area contains not only the formal port district, but also a major ethanol/crude terminal, the Port Ventures private terminal, and up until January a domestic container terminal. Second, the district contains major Cargill rail terminals which generate no marine traffic.

An expanded version of the Report is now for sale. See ad below.

- Chop Hardenbergh

Next formal issue: 28 February

REGIONAL

CP-CN-NECR-PW: NEW DEAL?

14 February, Jacksonville. **PW AND NECR ANNOUNCED ‘THE GREAT EASTERN ROUTE’, a new coordinated commercial and operating platform.**

‘This new strategic alliance is being developed to increase our collective business with both Canadian National and Canadian Pacific to rail customers in southern New England and to enhance their global access through our port facilities.

‘Over the past five years the NECR and P&W have jointly invested significant capital in the infrastructure along with the States of Vermont, New Hampshire, Rhode Island and the federal government. These investments enhance our service and, combined with this new commercial and operating relationship, will provide the basis for a greatly improved customer experience aimed at growing our collective business across all commodity lines.

‘The alliance recently hosted inspection trains with our Canadian Class I partners and looks forward to establishing new and improved supply chains throughout the region.’ {press release via RailAmerica}

**New: PW connection to CN**

NECR and PW have coordinated trains for decades, interchanging in New London or Willimantic. Moreover, both have moved traffic from both CN and CP for the same length of time. What has changed?

Marie Angelini, PW general counsel, noted: ‘The Alliance will allow PW to market a direct connection with CN at East Alburg, VT (CN-ESALB-PW). CP has an existing arrangement that affords it a connection with PW at Willimantic. The operational synergies of the Great Eastern Route will further enhance that access.’

[I infer, but was not able to get confirmation, that for PW interchange with both CN and CP, NECR will act as a haulage carrier. {e-mail to ANR&P 15.Feb.12}]

For ANR&P, RailAmerica deferred comment to PW. {e-mail from spokesperson Donia Crime} But another journalist found the following:

According to Josh Putterman, vice president of strategic operations at RailAmerica, “The alliance means the pooling of motive power, and we are looking at all ways to be more operationally efficient. RailAmerica is at the early stages of what it expects to be a long-term relationship. Any related operational changes are being made carefully, with an eye to the long term.” {Kevin Burkholder in Eastern Rail News 15.Feb.12}

**MMA: UPDATE**

2 February, Chicago. **RAIL WORLD INDUSTRIES PRESIDENT ED BURKHARDT SAID MMA IS NEARING FULL ONE-PERSON OPERATION** on the Brownville Junction-Montreal corridor. This uses remote-control cars [see box], some newly-installed remote control equipment in locomotives, and special television cameras allowing the engineer a safe view of the opposite side of the locomotive.

The move to one-person crews will allow greater flexibility in operations and provide an overall better productivity.

**Implementation in Quebec soon**

Transport Canada has required certain minimum requirements for the implementation of single-person operations in Quebec. MMA is resolving those, Burkhardt said. “We are mostly a one-person crew operation in Maine now – Quebec will probably be later this winter or early spring” as well as the Newport Vermont turn.

The change in crew configuration will allow five-day-a-week operation in each direction between Montreal and Brownville Junction, instead of the current three round trips per week.

**Sale of Newport branch**

Burkhardt reported that the line between Newport and Farnham, Quebec, remains on the rationalization radar
screen but MMA will not sell it imminently. “[B]oth RailAmerica and Patriot Rail] had some interest and took a look, but the offers weren’t sufficient, so it remains our project.”

Traffic counts
Traffic levels on both the Brownville Junction-Montreal and the Newport lines have remained steady with some recent growth observed and attributed to the return of some East Millinocket traffic. {Kevin Burkholder in Eastern Railroad News Online Magazine}

NEW YORK

PART III: ALBANY OBJECTIVES, MASTER PLAN, CARGO TRAFFIC TRENDS*

Note: Correspondent Laurel Rafferty has completed an encompassing overview of the Port of Albany. I am publishing it in three parts. THE COMPLETE PORT OF ALBANY IS AVAILABLE. See ad at end.


Part I (in 11#12B):
1. Background
2. Existing conditions
3. Capital improvements
5 Changing objectives
6 Master plan update
7 Cargo traffic trends

5. CONTAINERS END, ENERGY BEGINS

5.1 The Port District Master Plans
In 2000 the ARPDC commissioned a master plan (2000 Master Plan or POA MP00) by Wilbur Smith Associates, and 10 years later an update to that plan (2010 Master Plan or POA MP10) by Moffatt & Nichol.

During that decade, strategic objectives changed.

5.2 2000 Plan Strategies
The 2000 Plan identified six strategic opportunities: revitalization of the Port’s presence as a regional marine port; maximization of its multimodal capabilities; capitalization on its geographical location in a corridor between major US and Canadian cities; development of its feeder container potential; promotion and coordination of partnerships with multiple communities; and development of compatible industries within the Port area.

To realize these opportunities, it proposed six strategic steps:

- redesign of port facilities to cluster similar industries and increase capacity;
- use of a $750,000 state grant to improve rail access;
- expansion of the container service operations which commenced in 1999;
- development of the Port as a hub for project cargo and heavy lift shipments to the Far East;
- utilization of rail passenger corridors to increase perishable cargo volumes and shipments; and
- use of the Port’s location to increase inland cargo shipments. {Technical Memorandum: A Niche Market Analysis of Comparable East Coast Ports, Mar.01}

5.3 Plan Implementation -- Capital Improvements

5.3.1 Crane purchase. [See 3.3.1]
5.3.2 Wharf Upgrade. [See 3.3.2]
5.3.3 Transport Access.
   Rail. [See 3.3.3]
   Water. [See 3.3.3]
   Road. [See 3.3.3]
5.3.4 Port Use Configuration Upgrade. [See 3.3.4]

5.4 Plan shortfall: container strategy
The Port of Albany participated in the Port Authority of New York and New Jersey (PANYNJ) federally-funded pilot Port Inland Distribution Network Program (PIDN), from 2003 [see 03#07A] to 2006 [see 06#04A]. PIDN aimed to move containers landing at the Port Authority off the roads and onto barges; the
Potential Sites for Improvement or Expansion at the Port of Albany*

*One potential improvement site, a 5-acre site, located to the north of the port facilities on the Albany side of the Hudson River, is not shown on the map. (page 120)

move to Albany was selected as a pilot.

During the years PANYNJ offered the program, barges sailed up and back to Albany, never full, and occasionally carrying only a single container. Moreover, no loaded containers came back down the river. {ANR&P discussion with PANYNJ spokesperson Steve Coleman 8.Nov.06} When federal funds ran out and traffic could not sustain the move, PANYNJ ended it.

In the 2010 Master Plan, Moffatt & Nichol listed factors which could lead to a return of containers:

- The rise in fuel prices that favors waterborne transport and increased USDOT support of inland waterway transport.
- The potential for transport of refrigerated container cargo, currently moving via the Port of Philadelphia by truck directly to Albany area retail distribution centers, shifting instead to barge transport from the Port of Philadelphia to the Port of Albany.
- Not only barge transport, but container vessel calls by a few shipping lines, well-established and offering regular service, that could be accommodated by the Port’s facilities given its navigational draft constraints [see 11#12B section 2.5]. {pages 94-96}

5.5 Shift to green cargoes, economic engine, serving clients

ALBANY SPECIAL REPORT!

Get the entire Albany Report (parts I, II, and III) together with salt and scrap steel special sections, an article about the Rensselaer wharf, and the complete text of the 2010 Master Plan.

INTRODUCTORY PRICE $199!

Normal price $300. Pdf or printed version postage paid.
Contact: editor@atlanticnortheast.com

ALBANY for years has handled steam turbines made at the nearby GE facility for export. By 2008, officials saw that rather than a container hub, the port was becoming a green material
center. 'First, it worked with G.E. Wind Energy and Allen International in the shipping and movement of windmill blades, machine heads and hubs for more than 500 windmills on farms in New York State and eastern Canada. Then, the Port was the import station for all the pipe and other materials used in the construction of the 186-mile long Millennium Pipeline, the largest energy project in New York State in more than a decade.'

The ARPDC made a decision at that time 'to focus on supporting green imports and exports.' {POA AR08; APDC Special Report 09, Legislative Gazette}

**Economic engine.** The lead section of the POA AR08, 'Port Packs Quite an Economic Punch,' stated 'the Port of Albany has expanded to become one of the Capital Region’s most important economic development engines. Despite the year’s economic downturn, for the first time in its history the Port grossed over $5 million in 2008. All the activity at the port—from manufacturing to warehousing to real estate and administration—is estimated to have generated over $813M in total economic impact last year. According to a number of businesses that are based at the Port, the facility’s future looks bright.'

Serving clients. POA AR09 expressed a third strategic objective: “the Port of Albany has focused on improvement and expansion of our facilities in order to better serve present and future clients'” [italics added].

### 6. 2010 MASTER PLAN

Work on the 2010 Plan, prepared by the consulting firm Moffatt & Nichol, began in 2009. Completed in July 2010*, the plan predated the most recent chapter of the economic downtown. Generally the most recent available data at the time of the plan’s development covered 2008.

* A version revised in March 2011 is described here.

As with the 2000 Plan, the 2010 plan’s scope was limited to the area of Albany-Rensselaer Port District Commission jurisdiction and activities consistent with the ARPDC mission.

#### 6.1 Evaluation of all sites within the Port District

The 2010 Plan looked at all sites in the District. The consultants identified 12 sites for potential improvement, 'selected either because they are vacant, could soon be vacant, or because the infrastructure at the site could benefit from certain improvements.' {page 120}

The map shows the ten on the Albany side and the two on the Rensselaer side.

**Vacant sites.** Six of the sites are vacant: sites #1-5 west of the main port area, and site #13 south of the Rensselaer marine terminal. The scrap site lease (of Hudson River Recycling) ends in 2012; the Master Plan looked at using the site for breakbulk and project cargo storage.

**Possible improvement or expansion.** Four fell into this category: the salt pile site, site #11 adjacent, the asphalt site, and site #10 [the wharf in this parcel, on the Rensselaer side, is now funded for improvement, see 11#12A]. {page 121}

<table>
<thead>
<tr>
<th>Project #</th>
<th>Project Description</th>
<th>ROM Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>RIS Rail Improvement – Existing Operations</td>
<td>$1.1 million</td>
</tr>
<tr>
<td>A2</td>
<td>RIS Rail Improvement – Transloading</td>
<td>$2.4 million</td>
</tr>
<tr>
<td>B1</td>
<td>Improve Site #13 for Scrap Use</td>
<td>$2.7 million</td>
</tr>
<tr>
<td>B2</td>
<td>Improve Site #13 for Cogen Use</td>
<td>$5.5 million</td>
</tr>
<tr>
<td>B3</td>
<td>Improve Site #13 for Salt Use</td>
<td>$5.8 million</td>
</tr>
<tr>
<td>C</td>
<td>Rebuild Wharf at Rensselaer (Site #10) for Scrap Use</td>
<td>$15.7 million</td>
</tr>
<tr>
<td>D</td>
<td>Improve Salt Pile Site for Project Cargo Storage</td>
<td>$2.4 million</td>
</tr>
<tr>
<td>E</td>
<td>Improve Site #3 and Site #4 for Salt Storage Use</td>
<td>$2.7 million</td>
</tr>
<tr>
<td>F</td>
<td>Improve Site #11 (Warehouses) for Project Cargo Storage</td>
<td>$3.6 million</td>
</tr>
<tr>
<td>G</td>
<td>Improve Hudson River Recycling Site for Project Cargo Storage</td>
<td>$6.4 million</td>
</tr>
<tr>
<td>H</td>
<td>Improve Asphalt Site for Marine Terminal Use</td>
<td>$15.0 million</td>
</tr>
</tbody>
</table>

**Rough Order of Magnitude (ROM) Development Cost** {page 121}
6.3 Cost for various development options
The consultants costed various options for the sites they evaluated [see table].

6.4 What is not needed
The consultants concluded that no expansion in berthing space, crane equipment, and covered storage is needed for a significant period of time, given capacity and current utilization rates in these areas. {page 12}

Ethanol as promising?
As shown in section 6.7, the consultants' forecasted liquid bulk, primarily ethanol, as the fastest-growing commodity in the coming years. But ARPDC hosts only Buckeye, not the other, Global [see 12#01A section 4.3].

The consultants wrote: 'Assuming Albany continues to be a gateway supplying ethanol both along the Hudson River and along the coast, there is potential for outbound ethanol shipments at the Port of Albany to exceed 2 million tons per year.

'However, there are alternative ways to transport ethanol to terminals in the northeast coastal waters. If Albany supplies only the terminals along the Hudson River in the future, a lower bound forecast of approximately 1 million tons per year would be expected. ...Note that these figures include volumes at terminals not owned by APDC.' {page 91}

6.5 Most promising development for Rensselaer: scrap iron.
The 2010 Plan identified enhancements to scrap iron operations [projects A1 and B1 of the table above] of Rensselaer Iron and Steel (RIS) as the most promising, in that they would create value in excess of the required investments, while making these operations potentially more competitive.

The Plan also identified wharf improvements (Project C), which are now funded by NYSDOT [see 11#12A].

Scrap market share to increase. The Plan forecasts that the Port's market share for scrap iron will increase, and finds, based on the analysis of infrastructure needs, that expanded storage area for this cargo would be needed.

1 Detail of M&N's prediction of increasing market share will appear in a forthcoming issue.
Project A1: improvement for current rail operations. The project would add 1400 linear feet of track; create a runaround; and increase storage for railcars from 5 to 11, allowing RIS to load more rail cars.\footnote{Moffatt & Nichol also looked at a more extensive rail improvement, A2 in the table above. It would add 4500 linear feet of track to create a small loop within the RIS facility, 'allowing for locomotive bypass, direct transloading of railcars to ship, and storage of additional railcars. The suitability of this projects depends on RIS shifting focus from exporting scrap shredded onsite to exporting material received from other shredders in the region by rail.' This was deemed not as promising as A1 and B1. \{page 123\}}

CSXT currently switches RIS twice a week. The consultants reported that while the enhancements might serve as an incentive to CSX to increase service, comparable improvements at other nearby sites have not produced these results. \{pages 137-139\}

Project B1: Improve Site #13 for Scrap Use. This project involves developing approximately 10 acres of expansion area for RIS storage south of RIS.

Forecast of Port of Albany Scrap Steel Exports

The plan finds that if Albany increases its share of scrap exports\footnote{See footnote 1.} as shown on the dotted line in the graph, the estimated present value\footnote{The amount the site would generate for the Port from the combined revenues from all sources: dockage, wharfage, and stevedoring revenue.} to ARPDC over thirty years is approximately $9.6 million.

If the share only grows at 50\% of that shown on the dotted line, ARPDC will receive a value of about $5.7 million, an amount still 'in excess of the $3.8 million investment for projects A1 and B1’ \{see above Table\}.

'These' improvements would likely also create significant value for RIS as well; and it may therefore be appropriate for ARPDC to expect RIS to share in the investment in these improvements or to make other adjustments in their lease terms.' \{page 139\}

6.6 Most promising development for the Albany side: project cargo.

The Plan identified promising development at expansion sites for open storage which would aid project cargo and steel. However, the consultants could not conclude that enough additional project cargo and steel traffic could be found to justify spending the funds to fashion the storage space. \{pages 139-141\}

Transforming Cargill Salt option. In particular, the consultants looked at the $2.4 million cost of transforming the Cargill Salt site [project D in the table above] into open space for project cargo: They assessed the value to the port of this option [comparing lost income from the Cargill lease to increased revenue from marine activity – the Cargill site uses no ships currently, see 12#01A 4.1.1.1].

If the port could generate additional volume of 92 thousand metric tonnes of cargo, that would justify this investment.

But the port already has capacity to add another 100 thousand metric tonnes of project cargo. So 'the alternatives for expanding open storage appeared difficult to justify from a financial perspective.' \{page 142\}

The more costly alternatives [F and G in the table] would require even higher levels of income to support the investment. \{page 141\}

6.7 Forecast for bulk cargoes

The 2010 Plan provides two forecast summaries, one of cargo outlook by commodity, and a second by terminal, as shown in the figures below.
6.9 Findings on implementation
Rensselaer-side improvements are feasible within four years. The Albany side improvements suggested in the table, specifically expansion sites for open storage for project cargo and steel, won't be needed within the next 10 years. {pages 148 and 150}

7 MARITIME CARGO TRAFFIC TRENDS FOR ALBANY
Major rail cargo traffic of the Port is discussed in Part II, 12#01A.

7.1 Non-container traffic.
The table below shows ARPDC's maritime cargo volumes by cargo type for 2000 - 2011.

Much variation in the decade's leading cargoes. At the beginning, grain exports dominated, and molasses hit its peak in 2001. In the middle of the decade, grain reached its highest volume, as did wood pulp imports, but salt and steel pipe halted after 2008.

By the end of the period, scrap metal led the tonnage, while grain was near its low and molasses hit its low. Wood pulp and heavy lift were in the medium range.

Significant variation in total tonnage. Total maritime non-container cargo volumes for the decade ranged from high of 860.4 thousand tons in 2001 to low of 251.7 thousand tons in 2009, varying with broad economic trends, such as the recent economic downturn, and the vagaries of particular cargoes, such as imported salt [huge increase in 2001 – see 12#01A 4.1.1.2].

Ratio of imports to exports. From 2006-2011, the period for which complete comparable data were available, exports far exceeded imports. Over the period, exports grew and imports shrunk, generally.

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

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

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

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

Side-track leasing: Up to 20 car spots.

Located 60 miles north of New York City.

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

**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.
Green becomes third-highest total. The combined volumes of project cargo and steel pipe (for gas line construction) over the 10-year period 2000-2010 represented 7.3% of total volumes for the period, the third-highest top commodity. This result supports ARPDC’s mid-decade decision to focus on supporting green imports and exports [see 5.5]. {Rafferty analysis}

7.2 Share of non-containerized cargo for Northeast region
The District's share of the region, from Philadelphia north and including Great Lake ports, for sample year 2007, based on PIERS data, reveals the District’s cargo strengths.

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<td>Grain - O</td>
<td>181.0</td>
<td>334.4</td>
<td>396.3</td>
<td>143.2</td>
<td>48.6</td>
<td>155.8</td>
<td>337.9</td>
<td>458.5</td>
<td>161.3</td>
<td>32.3</td>
<td>206.4</td>
<td>47.3</td>
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<tr>
<td>Scrap Iron - O</td>
<td>-</td>
<td>85.9</td>
<td>-</td>
<td>114.9</td>
<td>151</td>
<td>99.2</td>
<td>123.6</td>
<td>173.7</td>
<td>177.2</td>
<td>163.9</td>
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<td>Wood Pulp - I</td>
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<td>20.5</td>
<td>24</td>
<td>46.2</td>
<td>46.7</td>
<td>56.7</td>
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<td>18.7</td>
<td>27.3</td>
<td>26.7</td>
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<td>29.8</td>
<td>16.8</td>
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<td>17.9</td>
<td>20.5</td>
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<td>Molasses - I</td>
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<td>98.3</td>
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<td>69.5</td>
<td>58.5</td>
<td>44.5</td>
<td>32.7</td>
<td>31</td>
<td>41.9*</td>
<td>12.8</td>
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<td>42.1</td>
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<td>67.2</td>
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<td>4.1</td>
<td>6.1</td>
<td>1.8</td>
<td>4.6</td>
<td>1.1</td>
<td>9.1</td>
<td>57.4</td>
<td>13.9</td>
<td>64.6</td>
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<td>Liquid Fertilizer - I</td>
<td>20.3</td>
<td>9.9</td>
<td>9.9</td>
<td>10</td>
<td>10.7</td>
<td>11</td>
<td>15.7</td>
<td>10.4</td>
<td>-</td>
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<tr>
<td>Other Cargo</td>
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<td>4</td>
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<td>103.2</td>
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<td><strong>Total</strong></td>
<td><strong>397</strong></td>
<td><strong>860.4</strong></td>
<td><strong>526.8</strong></td>
<td><strong>388.7</strong></td>
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<td><strong>578.2</strong></td>
<td><strong>#780.5</strong></td>
<td><strong>768.8</strong></td>
<td><strong>589.5</strong></td>
<td><strong>251.7</strong></td>
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<td><strong>Total Inbound</strong></td>
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<td>227.3</td>
<td>34.4</td>
<td>28.6</td>
<td>37.4</td>
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<td><strong>Total Outbound</strong></td>
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<td>648</td>
<td>362</td>
<td>217.4</td>
<td>423.3</td>
<td>267.6</td>
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* Includes liquid fertilizer ** This was split 20.2 thousand tons outbound heavy lift, 0.3 thousand tons inbound heavy lift.

#The Annual Report data and MP data differ for 2007. MP says 746,643, while AR07 says 780,500.

7.2 Share of non-containerized cargo for Northeast region
The District's share of the region, from Philadelphia north and including Great Lake ports, for sample year 2007, based on PIERS data, reveals the District’s cargo strengths.

Though its share of total import volume for the region is de minimis, Albany dominates molasses imports at 76% and wood pulp imports at 52%.

For exports, its share of the total market was 6%. It moved all wheat (100% of the region), 97% of the corn, and 92% of electricity generators and parts. In other exports it had a substantial share: alcohol at 23% and machinery parts at 20%.

For scrap metal, the largest export cargo in the Northeast, Albany moved 7%. {2010 POA MP}

**MAINE**

**SEARSPORT: MACK POINT CRANE**

10 February, Searsport. **THE NEW CRANE COULD HELP ACCESS NEW MARKETS IN THE MID-CONTINENT,** wrote Jim Therriault, vice-president materials handling for Sprague Operating Resources, which operates the dry-bulk part of the terminal here.

Bought with TIGER money
John Henshaw, executive director of the Maine Port Authority, new owner of the Liebherr 550, put the cost at $4.2 million using a TIGER grant award by USDOT Maritime Administration [see 10#09B]. No match was required.

Lowering the cost of bulk handling
'Currently all vessels delivering bulk products to the area need to use ships with their own cranes which are
generally more expensive to charter,' wrote Therriault. 'This crane with its 37-cubic-yard grab will be able to achieve comparable daily offload rates on cheaper, ungeared vessels, helping to lower the cost of all bulk products delivered to Mack Point including salt, coal, petroleum coke, gypsum and other bulk materials used by Maine companies.

Project cargoes
Planned uses include the much more efficient handling of project cargo including windmill components both for current land- and future ocean-based projects.

Mid-continent
'With time,' continued Therriault, 'we hope to also expand the use of rail.' MMA could move products unloaded at Mack Point to Canada and the Midwest, positioning 'Searsport as an alternative to navigating up through the St. Lawrence Seaway.' {e-mails to ANR&P 13.Feb.12}

Height
In March, the Searsport Town Meeting voted to amend the zoning ordinance for the industrial district to permit: '150 ft. for Cranes, Bulk Fuel Storage Tanks, Silos, Grain Elevators, and Similar Structures.' [See 11#03B.]

The new crane stands 134 feet high (40.7 meters). {Therriault e-mail to ANR&P}

MASSACHUSETTS

GU: TOWN HAS QUESTIONS**
19 January, Upton. **THE UPTON RAILROAD FACT FINDING COMMITTEE VOTED TO RESEARCH EIGHT QUESTIONS** about GU's operation in town, and not to research two others.

Two of the eight questions
- The railroad operates a gate on Depot Street. Does it want the gate open or closed?
- Does Town Counsel Marc Reich agree with the opinion of GU attorney James E. Howard that a wood pellet facility at the rail yard is pre-empted from local regulation?

Quiet zones tabled
The following was tabled for a possible later vote: Will Selectmen pursue and enforce quiet zones at certain times of the day?

Pre-emption not researched
The committee voted not to ask this question: Do selectmen agree with a statement in the FAQ section on the
website stating: 'The Board of Selectmen believes that the (Grafton & Upton Railroad) is preempted from state and local regulations.' {Morgan Rousseau in Milford Daily News 20-Jan.12}

Thorough discussion of town oversight
On its website, the Town of Upton has posted FAQs which provide an enormous amount of detail on the authority of municipalities to regulate railroad-related activities. {google: Upton Railroad Fact Finding Committee.' {town website}

Operating pattern
Observations of GU operations in January indicated that it operates nearly every day, with Saturdays not uncommon. Two locomotives 'take cars from the North Grafton yard early/mid-mornings to the West Upton yard and spend quite a bit of time working there.' A train often returns to North Grafton in mid-afternoon.

'CSXT delivers/picks up cars about 6:30pm several times a week.' {Mike Rossi, whose porch sits across from the North Grafton yard, in e-mail to ANR&P 24-Jan.12}

PAS: BUSINESS PARK ACCESS*
30 January, Westminster. THE MBTA LAYOVER FACILITY HERE COULD PROVIDE FREIGHT RAIL ACCESS TO THE WESTMINSTER BUSINESS PARK, said Bruno Fisher, Montachusett Regional Transit Authority (MART) deputy administrator, during a presentation of the MBTA plans to create the Wachusett passenger station in Fitchburg and a new layover facility in Westminster. [The project won $55 million in TIGER I grants – see 10#02A5.]

5Your editor can't resist pointing out these projects were supposed to be 'shovel-ready'. Yet here we are two years later and MBTA won't seek construction contracts until July 2012, if then.

Notably, MBTA, MART, and consultants from McMahon Engineering insisted on 30 January that no further studies would be done. Back in February 2010 MART official Mohammed Khan said "in the next four or five months we have to complete our entire design process and then begin construction."
Fisher noted points on the line before and after the layover station where a freight rail could connect, and the southernmost track within the layover yard could also be used for daytime access while the station is not occupied by commuter rail trains.

**Tax and shipper concerns**
Michael Fortin, on behalf of the Planning Board, which does not support the building of the layover station at its present location, said having the station in a prime piece of industrial real estate is a mistake because the town will lose out on tax revenue, as the MBTA is tax-exempt, and that the business park overall will lose out on valuable land for development.

Charles Scott of CFS Engineering, a representative for Westminster Business Park, said he's less worried about the space the layover station is taking up in the business park about the bad publicity the town is getting due to arguments over the facility and its environmental impacts. He said one interested buyer has already backed away “because he knew he'd have to jump through hoops to do anything in Westminster.” {Alana Melanson in Fitchburg Sentinel and Enterprise 31.Jan.12}

**Cost**
The MBTA capital construct plan shows this project for bidding in July 2012:
Wachusett Commuter Rail Extension Station and Layover Facility, Rail and Signal, $20.4 million. {MBTA website}

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**NEW HAMPSHIRE**

**MBRX v PAN AM**
13 February, Boston. *THE SETTLEMENT COUNSEL CANCELLED THE SCHEDULED MEDIATION.*
Reportedly Pan Am told the Counsel it would not permit Peter Leishman, the owner and usual operator of MBRX trains, back onto Pan Am tracks “without a court order.” {ANR&P discussion with Leishman}

Pan Am has consistently refused any mediation, at the STB [see 10#05B] or in district court [see 11#07B].

**Briefs and argument next**
According to the First Circuit Court of Appeals website, MBRX must file its brief (limited to 30 pages) and appendix by 20 March. {case #12-1031}

According to court rules, Pan Am must file its brief in opposition (limited to 35 pages) within 30 days, MBRX files a reply brief (30 pages), and Pan Am may file its reply (15 pages).

**MBRX/NHDOT: NO RFP YET**
13 February, Concord. *THE RFP WILL COME FORWARD “SOON,”* wrote Dave Hilts, assistant attorney general at the New Hampshire Attorney General's office, in a note to Peter Leishman, Leishman's attorney Craig Donais, NHDOT Deputy Commissioner Mike Pillsbury, and NHDOT rail administrator Kit Morgan.

Hilts said in the note that the work on the RFP has taken “longer than anticipated,” and that when it comes he will send it to Donais. {ANR&P discussion with Hilts 15.Feb.12}

The New Hampshire attorney general said on 10 January that the state would put the line out to bid, and hoped to identify 'any interested rail carriers,' by the beginning of the 2012 operating season. [See 12#01B.]

MBRX has usually begun operating in early April.
VERMONT

AMTRAK/VRS: MUCH IMPROVED
February, Montpelier. **VRS MOVED FROM POOREST-PERFORMING AMTRAK HOST TO A TOP PERFORMER IN JUST 12 MONTHS.** The number of minutes the *Ethan Allen* ran behind schedule dropped from 11,068 for December 2010 to 135 for December 2011. "That improvement represents a 99% reduction in delays along the route," Joe McHugh, Amtrak's vice president for government affairs and corporation communications, wrote to V AOT.

"In what may be a reflection on the improvements to the route, the *Ethan Allen Express* has gained more than 1,200 riders along the Vermont-supported segment between Albany and Rutland from October 2011 to December 2011 as compared to the same period in the previous year,' a 10.8% increase in riders.

Repairs plus new track and ties reduced travel time between Rutland and Whitehall by 15 minutes, and Whitehall-Rutland by 25 minutes.

**VRS comment**
Rail system president David Wulfson welcomed the praise after last year's poor rating [see 11#08A].

**Effect on Burlington service**
Brian Searles, secretary of the Vermont Agency of Transportation, welcomed the turnaround, too, because Amtrak officials warned that the poor VRS performance could jeopardize the long-hoped-for expansion of passenger service north to Burlington.

"We are investing incrementally in the corridor north of Rutland, and now we can make those investments without fear that the performance of the *Ethan Allen* line will work against us," Searles said.

Senate Transportation Committee Chair Richard Mazza, D-Chittenden/Grand Isle, acknowledged his upset when he learned Amtrak's low rating in 2011. "I don't want anything to jeopardize our New York-to-Burlington train," Mazza said. "I'm very happy they got together and resolved their issues." {Nancy Remsen in Burlington Free Press 7.Feb.12}

VERMONT: RAIL FUNDING*
12 January, Montpelier. **THE ADMINISTRATION PROPOSED TO SPEND $32 MILLION IN FEDERAL AND STATE FUNDS** on rail in FY13 which begins 1 July 2012: $18 million federal and $14 million in state funds. Total transportation spending was set at more than $500 million.

**Western corridor: 286 improvements**
VAOT would spend almost a third of the rail total, or $10 million (80% of that federal) on the Western corridor, mostly for relocating and replacing rail Bridge 219 in Florence. 'As it stands, the bridge and the curves on its approaches are a severe slow order for future passenger trains.' The new bridge will also hold 286,000-pound freight cars.

VRS will then have a 286 corridor from Whitehall NY to Rutland and Florence [for the Omya plant, which has long complained about having to “light-load” its cars - see e.g. 06#11B], as well as along the New England Central Railroad.

The budget also provides funding for engineering a covered cut underneath the Middlebury Common. In addition, Bridge 57 at Cold Spring Brook in Shaftsbury and Bridge 242 in New Haven will be replaced and Bridge 95 in Clarendon improved.

The bridge projects are funded through the "Jeffords Earmark" that has taken time for the state to spend.

**Passenger rail**
VAOT will receive $60,000 to market Vermont's passenger trains, and a payment of $4.5 million to subsidize
the *Vermonter* and the *Ethan Allen*. A sum of $50,000 would also pay for preliminary engineering to modify Montreal Central Station to perform customs and border patrol checks there if the *Vermonter* ran to Montreal.

**WACR in Northeast Kingdom**

VAOT began bringing this line back up to 25 miles per hour for freight after purchasing it in 2003, but stopped soon after, due to budget pressures.

The FY13 budget will restart the rehab of the line for $380,000. A recent inspection found a few ties date back to 1940. Speed is now only 10 miles per hour. VAOT will also replace Bridge 535 in Barnet.

**WACR in Barre**

VAOT would continue to subsidize this operation for $260,000 in FY13.

**Rail siding program**

The three-way funding for freight improvements (the shipper, state, and railroad each pay one third) is allocated $200,000; with the shipper and railroad match, the fund would have $600,000 total. {analysis of budget by Chris Parker of Vermont Rail Action Network; text of budget}

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**MARITIMES**

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**HALIFAX: NEW SERVICE**

8 February. *ATLANTIC CONTAINER LINE WILL START A NEW, WEEKLY RORO SERVICE FROM THE UNITED STATES AND CANADA TO RUSSIA AND FINLAND*. The service begins February using ACL transatlantic vessels and Finnlines ice-class Baltic vessels; the Grimaldi group owns both companies.

“Our customers have been asking us for a better Baltic Sea connection for quite some time. This new service gives ACL another niche where we can do something better than anybody else,” said Andrew Abbott, ACL president.

**Already service to Antwerp**

The ACL existing service, which calls New York, Baltimore, Norfolk and Halifax, will connect weekly with Finnlines’ vessels in Antwerp. Finnlines sail directly to Helsinki, Kotka, and St. Petersburg. The cargo moves under the ACL bill of lading to the Baltic ports. {ACL press release 8.Feb.2012}

**HALIFAX DOWN, MONTREAL UP**

13 January. *HALIFAX CONTAINERS FOLLOWED THE NORTH AMERICAN TREND DOWN WHILE MONTREAL BUCKED IT* according to figures released by both ports. Drewry Shipping Consultants’ January report said international containers at North American ports dropped 1.7% in 2011, versus 2010's 10.7% growth.

**Halifax decline**

“We knew we would be finishing 2011 on a decline with containerized cargo tonnage down 5.3%,” said Halifax Port Authority’s Michele Peveril. “In mid-2011 we started to see a softening of cargo demand overall with the exception of breakbulk. We saw a lot wind turbine components, telephone poles and other oversize project cargo.

“But putting the container cargo in context we had 18 months of cargo growth leading up to the summer of 2011.” {Discussions with *ANR&P* correspondent Tom Peters 13.Jan.12}

Total TEUs dropped 5.7% to 410,649; breakbulk dropped 11.1% to 129,863 tonnes; bulk cargo grew 3.1% to 5,786,281 tonnes; and ro/ro cargo declined 1.3% to 261,263 tonnes. Overall port tonnage for 2011 was down by 0.3% to 9,486,612 tonnes. {Halifax Port Authority website}
The reasons
The decline was based on a number of factors and the fact the port is open to such diverse trade lanes. “So overall there was a softening of demand in the U.S. and Europe and shipping lines reconfigured services throughout North America with some impact on Halifax but not limited to Halifax,” Peveril said.

Halifax lost three services in 2011: Green Alliance to Southeast Asia in September [see 11#07B]; CMA CGM to Latin America in September [see 11#08B; and Zim cut its annual Halifax calls from 102 to 54 in May. {Canadian Sailing 4 July 11}

How the loss of those services impacted the bottom line is still not clear, said Peveril. The majority of cargo moved by the Green Alliance was picked up by other carriers calling Halifax and trading on the same routes. Although Zim cut its calls in half, it doubled its capacity for Halifax on its singular weekly calls. The loss due to Black Pearl was unknown. “Without more data we can’t say what the final impact will be with the loss of the three services.”

Montreal gain
Despite a global economic slowdown, Montreal gained 10% over 2010, handling 28,534,264 tonnes. Liquid products showed the biggest gain over 2010 at 32% (10,760,649 tonnes); container tonnage jumped 3.6% to 12,471,002 tonnes; non-container tonnage declined 13.6 % to 129,767 tonnes; dry bulk declined 7.4% to 5,172,846 tonnes.

The port handled 1,362,975 TEUs, an 2.4% increase over 2010. {Port of Montreal website}

“We think part of it (the gain) is the economy has been recovering in Canada and a little bit in the U.S.,” said Yves Gilson, Montreal Port Authority. “It is not a major increase because of the situation in Europe but there still has been an increase in traffic between the Mediterranean and Northern Europe and Central Canada and the Mid-West.”

Gilson said approximately 21% of the container business is from the Mediterranean and “about 16% originating or having a final destination in Southeast Asia and Middle East. About 48% of the traffic comes from Northern Europe which is still our major market.”

Petroleum imports pushed the overall cargo tonnage, up 32% over 2010 due to increased industry activity, said Gilson. {discussions with Peters 13 Jan 12}

Should one compare Halifax vs Montreal?
Although Montreal had better performance than Halifax in 2011 it is not reasonable to compare the two, wrote transportation expert Dr. Mary Brooks at Dalhousie University in Halifax.

‘They are apples and oranges, each offering a different value proposition and market connections to customers. Montreal has the advantage of offering North European price-conscious customers access to the heartland of the continent with a lower price but longer time to market, while Halifax services a more widely dispersed customer base with a faster transit time product to Chicago. The year has been a difficult one for shipping lines and there is no guarantee that 2012 will be any less choppy so the comparison will inevitably be made again and again.’ {Brooks email to Peters 12 Jan 12}

Peveril said in accessing performance, Halifax looks more at ports along the East Coast. “Montreal is active on some of the trade lanes in which we compete but not all. New York and Norfolk are more primary competitors for Halifax. With our depth of water we are a big ship port where Montreal is a river port. We are targeting customers who can bring any size vessel and configuration of break bulk or container cargo. So on many fronts it is a different approach or focus to the business.” {Peveril in discussions with Peters}

ILA: Montreal and Halifax compete
Kevin Piper, newly-elected president of ILA Local 269 in Halifax, said: “I don’t know what the problem is but I know what the problem is not. It is not labour. Our rates are lower than Montreal’s and we don’t have a guaranteed wage in Halifax like they do in Montreal. If we don’t work we don’t get paid.”

Piper said he would like to see a committee formed of shipping lines, CN, government, port authority, and stevedore contractors to look at the cargo situation in Halifax. “We have every natural advantage in the
world here but we just can’t seem to get it moving.”

Labour does look at Montreal as a major competitor of Halifax. “Our biggest competition is Montreal and New York. It is cheaper to keep 1,000 containers on ship and run it up the St. Lawrence than is to come to Halifax and put those 1,000 containers on rail and rail them,” he said.

He indicated some factors that could swing in Halifax’s favor. The high cost of fuel and shipping lines implementing low water surcharges on containers up to $150 on a 40-foot box.

Also he said there have been rumors, “and only rumors” that some shipping lines calling Montreal are giving Halifax a more serious look because of these costs. One line being mentioned he said is Hapag Lloyd which now calls Halifax as part of the Grand Alliance. {Piper in discussions with Peters 18.Jan. 12}

BELLEDUNE: NEW FERRY?*

18 January, Belledune. AN ALTERNATE COMMERCIAL FERRY SERVICE BETWEEN BELLEDUNE AND ARGENTIA LOOKS MORE ATTRACTIVE, wrote Belledune’s director of marketing Jenna MacDonald, following an increase in Marine Atlantic fees between North Sydney and Port aux Basques. ‘We are currently meeting with several interested operators and hope to secure their interest to start and operate the service. This news makes the service more attractive and further increases the competitive nature of a Belledune – Argentia service as a more cost-effective alternative for drop trailers bound for Newfoundland. {e-mail to ANR&P correspondent Tom Peters 18.Jan.12}.

Fee increases

Marine Atlantic is introducing a $3.50 security fee, general tariff rate increases of 4% over 2011 and a $50 increase in the drop trailer management fee to $260 on a one-way trip. Marine Atlantic Vice-president Don Barnes said, “Increasing rates is never an easy decision and we have implemented the smallest increases possible to keep up with the rising costs of materials, supplies and labour that are driven by external economic factors.”

The new rate structure took effect 13 January for travel after 12 February. {Marine Atlantic press release 12.Jan.12; see entire rates at company website}

In 2010/11 Marine Atlantic carried 382,522 passengers, 131,597 passenger vehicles and 100,620 commercial vehicles (drop trailers, tractor trailers, straight trucks). {Marine Atlantic annual report 2010/2011}

Truckers upset

Jean-Marc Picard, executive director, Atlantic Provinces Trucking Association, said the federal government and Marine Atlantic “are throwing us an irrational and unjustified rate increase but really they should look internally to find some efficiencies and stop passing the buck to the trucking industry.

“The commercial carriers are Marine Atlantic's largest customers and without us they would not be able to sustain having a ferry service to serve the population in Newfoundland. Now they are making us pay for their mistakes and inadequacies and the federal government is supporting them. What a fiasco!” {APTA press release 18.Jan. 12}

The 24% increase in the drop trailer charge does make an alternative service attractive, Picard said. “We are always open to other possibilities, it depends on what it looks like and who would be investing the capital to put a service in place.” {Picard in discussions with Peters 23.Jan.12}

Consultant’s view

David Bellefontaine, marine industry consultant and former president of the Halifax Port Authority, said meetings are going on now with a few interested shipping lines for a new Belledune - Argentia cargo service. He has done some consulting work for Belledune.

‘The work that was done on the cost model showed that the new service would be cheaper than Marine Atlantic and Oceanex by a good margin. The issue here is to get someone to invest the money into a vessel to start the service. That has been the impediment to this point. The plan was to start with one call every five days
Another alternative: Oceanex

Shipping line Oceanex offers a service from Halifax or Montreal to St. John’s. Executive Chair Captain Syd Hynes didn't see the commercial volume to support another service. Furthermore, Hynes, a former president of Marine Atlantic, said: “Truckers don’t have any reason to be unhappy....Marine Atlantic is recovering only about 30% of their true costs. One of these days Marine Atlantic is going to wake up and charge what it is really worth. This is what people are not understanding. The commercial traffic with Marine Atlantic represents about 77% of its business and it's collecting about one third of the costs of doing it.”

Hynes took issue with Belledune's receipt of about $70 million in government money to invest in the port. That's money being used to compete against private industry. When asked about comparing Oceanex costs with Marine Atlantic he said that would not be reasonable since the carriers travel different routes. {Peters discussion 25.Jan.12}

The marine traffic is drayed from Argentia, Port-aux-Basques, and St.John's to the other ports and many other locations on the Island. {Peters}