Formal issue 12#09A 26 September 2012

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

REGIONAL

Feeder: Details on barge NY to New England.
GWIRA: STB announces schedule for decision.
Mulvey, in dissent, says not a minor transaction.**
PW: 2012 shows intermodal increase, conventional decrease.**
PW: Deal to sell easement.

**VERMONT**

[No report.]

**MARITIMES**

CBNS: Port Hawkebury reopening. Box on threat to Maine paper.
NBSR: Irving crude terminal open, trains enroute.
Saint John: MSC goes to weekly scheduled service.**

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

People: Leone

FROM THE PUBLISHER

Southern New England gets attention this issue: feeder proposals, coal, and quarries.

NEARS

3-5 October the region’s shippers, railroads, and suppliers will gather in Brewster on Cape Cod. Well-worth attending, as I have said before.

See www.nears.org.

- Chop Hardenbergh Next formal issue 25 Sept
REGIONAL: FEEDER SERVICE?
19 September, New London. JERSEY HARBORSIDE PLANS A FEEDER BARGE FROM PERTH AMBOY TO DAVISVILLE AND LATER TO NEW HAVEN. Ron Klempner [see 12#08B, principal of Jersey Harborside Transportation (JHT), gave a presentation to a Connecticut Maritime Commission meeting here of the idea he proposed in 2010 [see 10#10A]. Klempner also continues to advocate for the New England Transrail facility. [See 12#08B Massachusetts: GU STB dispute, and 12#06B.]

The roll-on, roll-off service would deliver containers from regional distribution centers in eastern Pennsylvania and central New Jersey, as well as New York marine terminals, to New England ports thus bypassing I-95 highway congestion.

JHT is considering five sites in Jersey: Carteret, Perth Amboy-2, Keasby, and Raritan Center. Some 15-20% of freight will come from port terminals: Newark, Elizabeth, Global Marine, and Howland Hook. Containers would travel to JHT Terminal by road, TOFC, or COFC.

Service time
Klempner said the service must operate on a regular, reliable schedule. The actual travel for barged containers moved by barge would take ½ to 1 day longer than by truck, if a truck did not have to stop due to driver hours of operation limits and delays caused by traffic.

Market size
Klempner said 1.5 million domestic shipments move into the southern New England target market. He also
noted that neither Connecticut nor Rhode Island has intermodal terminals; JHT service would permit dropping of railed boxes south of New York, and then delivery into both states.

**Operation**
Trailers dropped at JHT yard; hostlers roll trailers onto barge from three levels at once. JHT arranges local dray at destination. In New Haven, JHT views TOFC furtherance to Hartford and Springfield as possible.

Some 200-300 truck trips between New York and New Haven could be saved each day.

**Failure of previous efforts**
The presentation noted that previous efforts at short sea shipping failed for one of three reasons:

- They served markets/lanes which lacked sufficient volumes and/or not fit existing distribution patterns;
- Their modes of operation failed to provide a narrow enough ‘window of delivery’ with the reliability that the market demands; and
- The vessel structure (capital costs and labor) and operating protocols (i.e. speed, loading methods) drove their costs too high to be competitive.

**HMT an obstacle**
Klempner viewed the Harbor Maintenance Tax (HMT) as a potential impediment [but see 12#08A *Maritimes* for arguments whether it is a competitive factor for US ports]. HMT is levied on the value of goods shipped by sea, while a truck pays a highway tax unrelated to the value in the trailer.

Taxing the value of each bill of lading makes the movement of a container or trailer of mixed goods an administrative nightmare. Klempner proposed two possible solutions: exempt the HMT on all short sea shipping (US port to US port); or get Long Island Sound and its ports exempted from the HMT.

Chesapeake Bay, NY Harbor, New Bedford, and Davisville are already exempted from the HMT for various reasons. Perhaps the Sound could become an extension of the NY Harbor HMT exemption.

**Assistance from Commission**
Klempner stated that a letter of support to his request to MARAD for the short sea shipping plan to be designated a Marine Highway Project would help.

Also, he proposed letters of support to the Connecticut Congressional delegation to get Congress to include Long Island Sound as part of the NY Harbor exemption.
New Haven presentation

Klepner stated his presentation to the New Haven Port Authority [see 10#10A] had resulted in an endorsement from that Port Authority for his project. In New Haven, the service would utilize a North Yard (north of I-95 on the east side of the Quinnipiac River) site owned by Mr. Esposito.

In the discussion which followed, the meeting heard that JHT focused on New Haven due to a combination of the proximity of regional distribution centers, the north-south interstate (I-91) and the north-south rail line. Bridgeport has no north-south rail; the north-south highway (Route 8) ends at Waterbury. New London has north-south rail and interstate (I-395) but not the same proximity to the distribution centers. {ppt of presentation; draft summary report of meeting}

GWI-RA: STB MOVES AHEAD**

5 September, DC. THE BOARD DESIGNATED THE MERGER AS 'MINOR' despite the size of the two railroad holding companies [see 12#08A]. 'As provided for under 49 C.F.R. § 1180.2, rather than meeting a size threshold, to be significant a transaction has to have the potential for anticompetitive effects. Nothing in the record thus far suggests that the Transaction would have any anticompetitive effects, and any such effects that might result from the Transaction would appear to be outweighed by its contribution to the public in meeting significant transportation needs.'

Several opposed the designation, but their reasoning was found inadequate: 'Napa Valley Railroad Company (NVRR) and Yreka Western Railroad Company (YW) filed replies in opposition to Applicants’ Motion to Establish a Procedural Schedule. On August 16, 2012, similar replies were filed by Samuel J. Nasca, for and on behalf of United Transportation Union-New York State Legislative Board (UTU-NY), and jointly by Winamac Southern Railway Company (WSRY) and US Rail Corporation (URC).'

A dissent

STB Vice-chair Mulvey opposed the decision of the other two commissioners: 'I believe that a transaction of this magnitude is of regional or national transportation significance and, accordingly, should have been classified by the Board as “significant” rather than “minor.” A “significant” classification would have given interested parties and the Board more information and opportunity to examine any concerns regarding the transaction.

'While I do not believe that every large transaction merits a significant classification, the proposed transaction would greatly change the ownership structure of the short line industry. In the past, this agency has been criticized by some for allowing, over time and many individual transactions, significant consolidation of the Class I railroad industry. Although there remain many other shortline railroads today, the present transaction would consolidate nearly 20% of the shortlines in the country under a single owner.'

Procedural schedule

The Board stated: 'In the interest of allowing time for the record to develop fully, the Board will not at this time set a particular target date for its decision. Rather, after reviewing the record developed, we will decide whether an expedited procedural schedule is appropriate.'

Parties must state an intent to participate by 19 September, file comments by 5 October, and file responses by 26 October. {Finance Docket No. 35654}

GWI in its 8K filing to the SEC, stated: 'Based on the statutory timeframes for STB review of a “Minor” transaction, GWI expects an STB decision on its control application by February 6, 2013, which decision, if favorable, will become effective within 30 days thereafter and after which the RailAmerica operations can be consolidated with GWI's.' {SEC website}

Who in the region intends to participate

Notices of intent to participate were filed by: HRRC (signed by Ed Rodriguez), Pan Am (as ST, signed by Robert Burns, ST law department), Pan Am Southern (signed by Rob Culliford, PAS law department),
NYSDOT, and VAOT (signed by John Dunleavy, assistant attorney general). {STB website, filings page FD No. 35654}

PW: 2Q12**

13 August, Worcester. A CONTAINER INCREASE AND OTHER REVENUE INCREASE, LESS A DROP IN CONVENTIONAL CARLOADS, led to a net increase in operating revenues, PW announced this day.

'Operating revenues increased $440 thousand, or 5.7%, to $8.2 million in the second quarter of 2012 from $7.8 million in the second quarter of 2011. This increase is the result of a $579 thousand (300%) increase in other operating revenue, and a $99 thousand (46.7%) increase in container freight revenues, offset by a $227 thousand (3.2%) decrease in conventional freight revenues, and a $11 thousand (6.6%) decrease in other freight-related revenues.

[That is, without the additional work done by track forces ('other operating revenue'), PW would have decreased revenue in 2Q12 versus 2Q11. Editor]

Conventional freight down 8.7%
'The decrease in conventional freight revenues is attributable to an 8.7% decrease in traffic volume, offset by a 5.8% increase in average revenue per carload. The Company’s conventional carloadings decreased by 817 [? 815?] to 8,605 in the second quarter of 2012 from 9,420 in 2011. The reasons for the decrease in conventional traffic volume and increase in average revenue per carloading are as previously discussed for the six months ended June 30, 2012.' (The number of shipments of most commodities handled by the Company was relatively constant with decreases in coal and ethanol shipments contributing the majority of the decrease during the first six months of 2012. The decrease in coal shipments during the first six months of 2012 were due to a power plant customer being offline during a substantial portion of the period. Ethanol shipments were impacted by the weather conditions affecting the Midwestern corn crop. The increase in the average revenue received per conventional carloading is due to a shift in the mix of commodities, as well as some rate changes.)

[For coal decreases, see Rhode Island and 12#06A, Massachusetts, and other recent articles on coal – at bottom, natural gas is cheaper at this point. For ethanol, see 12#07B, Regional – at bottom, corn price increases have led to ethanol decreases.]

Container freight up 35.5%
'The increase in container freight revenues is the result of a 35.5% increase in traffic volume and a 8.0% increase in the average revenue received per container. Container traffic volume increased by 1,109 containers to 4,234 in the second quarter of 2012 from 3,125 in the second quarter of 2011. Reasons for the increase in traffic volume and the average revenue received per container during the second quarter are as previously discussed.' [See 12#03A – one customer out of New York is now receiving the traffic at PW's Worcester yard.]

Other operating revenue
'Other operating revenues increased due to an increase of State projects performed by the Company’s maintenance of way personnel.'

['Since 2011 P&W has completed three crossings in Massachusetts (Depot Street in Sutton, Follette Street in Grafton, and Ball Hill Road in Princeton), two crossings in Rhode Island (Hamlet Avenue and River Street in Woonsocket) and one crossing in Connecticut (Route 203), and is currently working on two more crossing projects in Rhode Island (Ernest Street in Providence and High/Titus Streets in Cumberland). These were all completed with (at least partial) state funding,' {e-mail to ANR&P from PW spokesperson Marie Angelini 18.Sept.12}]

Other Income
'Other income increased from $283 thousand in the second quarter of 2012 to $3.3 million in 2012 due mainly to the 2012 Agreement with Amtrak [see 12#05B].'
Operating Expenses

'Operating expenses for the second quarter of 2012 increased by $1.2 million, or 16.7%, to $8.4 million in the second quarter of 2012 from $7.2 million in the second quarter of 2011. The principal reasons for this overall increase were recovered costs of $869 thousand on account of assignment of tax maintenance credits received in 2011 not received in 2012. These increases were offset in part by a decrease in the amount of diesel fuel consumed and purchased services utilized.'

Seasonality

'Historically, the Company’s operating revenues are lower for the first half of the year due to the absence of construction aggregate shipments [see Connecticut] during a portion of this period and to winter weather conditions.'

Operating ratio

PW operations lost about $193,000 in the quarter. The company reported the operating ratio at 103%, a disappointment over 2Q11's 93%.

However, due to the Amtrak 'other income' the company had an overall income of $3.123 million before taxes. {10-Q report for 2Q12}

**PW: NEW INCOME**

summer, Worcester. **PW 'REACHED AGREEMENT IN PRINCIPLE' FOR A PERMANENT EASEMENT 'WITH AN UNRELATED PERSON'** ...along a portion of its right of way in exchange for a payment by the Grantee of $2,650,000, sometime after 30 June but before 18 August. The Company is awaiting receipt from the Grantee of a draft of the proposed permanent easement. There can be no assurance that the Company and the Grantee will reach agreement on the terms of the easement.' {item 12 in PW 2Q12 10-Q filing}

PW declined to provide further information, pleading commercial competitive reasons. {e-mail to ANR&P from spokesperson Marie Angelini 18.Sept.12}

Not National Grid?

PW [see 11#07B] settled with National Grid. PW received $1.2 million in settlement of an easement, which probably came from National Grid [see 12#04A].

**NEW YORK**

**NYA: UPDATE**

28 August, Brooklyn. **A HI-RAIL TRIP ON THE BAY RIDGE BRANCH** permitted a view of urban railroading, and the chance to ask some questions. Edwin Deleon, a track guy with the railroad for five years, was at the wheel. Bob Clark, NYA's MOW engineer, provided learned commentary. He worked with NYA President Paul Victor in Mexico, and before that as chief engineer for all of Conrail.

Two people who did actual work also came along. The truck had no equipment to measure track; all inspection occurred visually, or as Deleon said, via the feel of the wheel-rail interaction.

The inspection

By agreement with LIRR, NYA inspects the Bay Ridge every week or more frequently. Victor said later that he views FRA requirements as a minimum.

We started in the Fresh Pond yard and turned around at the 65th Street float bridge operated by NYNJ. Enroute, one reason for such inspections showed up [see photo].
NYNJ interchange
Now that NYNJ has re-opened the 65th Street yard [see 12#07B], the two railroads have a new interchange agreement, noted Victor.

- NYNJ access to South Brooklyn trackage. Under the new agreement, NYNJ service to the terminals on the South Brooklyn waterfront may first pass over the NYA property. Because of the existing layout [see photo], no track from the 65th Street yard leads to South Brooklyn.

- Victor said the agreement provides “flexibility. We can interchange either at 65th Street or at the current yard on NYA property in the yard between 7th and 4th Avenues. NYNJ “prefers to float during the day” whereas NYA serves Bay Ridge customers at night.

  “Don Hutton [the general manager at NYNJ] is a reasonable guy,” so the interchange works.

CSXT and PW interchange
These occur west of the bridge carrying the CSXT-owned track over the NYA track at Fresh Pond. NYA has engaged LIRR to add a fourth track to the interchange yard, because, Victor said, “we are very tight on room, we have no place to surge cars.”

  LIRR is doing the work under a force account agreement, though NYA is required to use LIRR crews only on LIRR track and NYA owns the Bay Ridge line. Victor hired the LIRR to do the work because LIRR was not sure it had enough work of its own to keep its capital investment workers employed.

Some of the customers seen enroute
Manhattan Beer. This customer has three facilities in the city. Its Brooklyn facility at 5700 Avenue D can accept five cars at a time, and NYA switches the five cars at least daily, “sometimes twice a day.”

  The Bay Ridge train does not go as far as 65th Street every day.
Brooklyn Resource Recovery. This customer places auto fluff via a front-end loader into gondolas for outbound movement.

MTA receiving yard. NYA delivers concrete ties and rail at the Lyndon Avenue facility.

Waste Management. We passed a string of municipal waste cars stored on the line. Victor said Waste Management's facility on the NYA Bushwick branch would use them when a surge occurred.

Possible transload. Although along much of the branch the MTA uses both sides, and the line runs almost entirely in a ditch, NYA does have a wide space toward the western end which has street access. Here, said Tom Egan, NYA marketer, the railroad could place a transload.

PANYNJ
Asked whether he had any news about the Port Authority of New York and New Jersey transload RFP, Victor said he had heard “nothing.” {ANR&P coverage; discussion with Victor 14.Sept.12}

PANYNJ asked for bids in November 2011, and since then has said nothing [see 12#07B].

CONNECTICUT

PW: SAND, GRAVEL UPDATE
24 September, Connecticut. RAWSON MATERIALS AND OTHERS CONTINUE TO SUPPLY THE NEW YORK MARKET. Principal Jeff Rawson wrote: 'The New York market is very large and while Connecticut has an abundance of quality materials and permits can still be procured it makes sense to pursue opportunities.... [T]he Long Island and NYC markets are soft this year in general.' He is operating from two facilities:

Thompson. 'We are indeed open for business at our newest location Rawson Materials - Thompson, CT Quarry.... Our stone is NYSDOT-approved and we have been shipping materials from this location since May 2012. Parties interested in receiving quotations should contact me at jeff.rawson@rawsonmaterials.com.'

Rawson has an exclusive use agreement here; 'we do not own it.'

Plainfield. 'We have shifted some of our sales from Plainfield to Thompson...'

Bozrah. In 2011, Rawson proposed re-opening an NECR branch to a potential quarry here [see 06#07A (town official supports PW re-opening Willi branch), 11#04B (10% of residents sign petition), 11#07B (still opposition)]. Rawson said: 'This application was withdrawn over a year ago.'

Receivers in Long Island
'Sky Materials/Superior Aggregates' continues to operate 'and we continue to supply this location. Brookhaven [Rail Terminal] is a very promising terminal that has also been affected by the slow Long Island market.'

WINDHAM MATERIALS POSSIBLE CUSTOMER?
Windham Materials and sister companies have at least four facilities (at least three have permits, and three have spurs); two lie on PW. According to one official, the owner of Windham also owns Builder's Concrete East and Windham Sand and Stone Inc; they share administrative offices on Boston Post Road in Willimantic.

To get a better understanding, beginning in April your editor sent a series of phone calls and faxes to

1 Other sources report this was formerly the French River Materials of Thompson quarry. {e-mails to ANR&P}
Windham Materials official Harold Hopkins. None of these were ever returned.

Windham Materials has in the past at least these permits:

In Franklin. On Route 32 in the far northwest corner of town. No rail.

In Windham 360 Plains Road. Next to PW's Willimantic Branch (running alongside NECR at this point\(^2\)) with a spur into it.

In Windham 252 Windham Center Road. Next to PW's Willimantic Branch. Two sources said that the spur is recently brushed out and renovated; a Bing aerial photo shows new wood ties piled on the spur.

---

\(^2\) Doug Low, NECR marketing chief, wrote on 25 September: 'NECR does not serve Windham Materials. A cross-over' between the two tracks near the quarry 'was built when Amtrak’s *Montrealer* ran via New London...producing an instant passing track. PW is responsible for serving the customers connected to PW’s operational track.

‘For mutual operating convenience in order to accomplish interchange at Willimantic, ...either RR may operate upon the others’ tracks subject to the usual operating agreements, rules etc.’ (e-mail to *ANR&P*)
However, according to the Connecticut Department of Energy and Environmental Protection, all permits have expired, most more than three years ago. Asked why Windham continued to operate on expired permits, Beatriz Milne at the Office of Planning and Program Development in the Commissioner's Office declined to comment. {e-mail to ANR&P 25.Sept.12}

South Manchester. Windham Sand and Stone has a spur at 60 Adams Street off CSO which appears on a Bing aerial photo as long-unused. Manchester Recycling and Materials is also listed at the same address as having a 'resolved' environmental violation. {permit information supplied by Beatriz Milne at the Office of Planning and Program Development in the Commissioner's Office of the Department of Energy and Environmental Protection}

COPAR
PW is benefitting from the Copar sand shipment which originates on NECR in New London [see 12#08B] according to reports. {e-mails from ANR&P correspondent}

CONNECTICUT PORTS: STUDY
19 September, New London. THE STUDY OF A STRATEGY OF THE ECONOMIC DEVELOPMENT OF CONNECTICUT'S PORTS is still delayed [see 12#07A] Commissioner Bob Ross told the Connecticut Maritime Commission meeting here. Delays in releasing the Study are the result of reviews by and requested revision from the state agencies involved in oversight of the Port Study. He stated that the Port Study should be made public soon. {draft summary report from Commission}

MASSACHUSETTS
NS-PAN AM: ATTACK ON ETHANOL**
13 September, Chelsea. A NIMBY MEETING ON ETHANOL TRAINS occurred this day [see notice]. State Senator Sal DiDomenico said: “What is unfortunate for the people trying to make this happen is that we have seen what can happen if one of these trains derails. So you can rest a sure that the people representing you are making sure we have the answers and are 100 percent committed to working hand in hand with the impacted communities to find ways to stop this from happening.”

State Representative Gene O’Flaherty said at the meeting that Global’s proposal caught elected officials a little off guard. “When we are being preempted by other authorities or uncertain about the public safety ramifications of a particular project we can pass legislation to do a study to slow down the process.”

We need your help to STOP the "BOMB TRAINS!"

Greetings!

We write to invite you to an important community forum where we will discuss and inform residents of Chelsea, East Boston, Everett, Revere and other affected communities about an egregious proposal to bring 280+ million gallons of high flammable ethanol through our community by rail.

The meeting will map out steps to stop the ethanol trains. It will take place on September 13, 2012 at 6pm at the Williams Community School, 180 Walnut Street Chelsea (please enter on the Arlington St. side).

As you may remember, Global Oil located in Revere, MA, proposes to bring freight trains carrying ethanol to its facility along the Chelsea River. Ethanol is a volatile, flammable, colorless liquid that burns at extremely high temperatures. Global is proposing to bring 187,200,000 - 280,800,000 gallons of ethanol through the communities of Fitchburg, Leominster, Ayer, Littleton, Acton, Concord, Lincoln, Waltham, Belmont, Cambridge, Somerville, Everett, Boston and Chelsea to their final destination in Revere.

A 2011 study commissioned by the state Department of Environmental Protection found ethanol is now the largest volume of hazardous material being transported by rail.

Alcohol-resistant foam is necessary to extinguish ethanol fires along with specially trained fire-fighters.

Just a few weeks ago, the public witnessed the derailment of a commuter rail train in Belmont, MA; and an accident where a car was crushed by a train in Medford, MA. An accident involving these proposed ethanol trains could decimate entire neighborhoods throughout the Commonwealth.

We need your help to stop the "bomb trains!"
Join us on September 13th at 6pm
Williams Community School
A wish for a different approach
Frank Demasi, providing his own opinion and not that of the Regional Transportation Advisory Committee on which he serves, wrote on 10 September:

'Too bad the railroad and Global did not get out the information on their proposal before the local politicians started grandstanding about the worst case scenarios without doing any research on the facts. Global was very smug at the public meeting believing the statutory entitlements of the Designated Port Area and railroad pre-emption had them covered. [See 12#03A.]

'CSX did just the opposite with great success in Worcester and Westborough by fully disclosing their plans and providing generous mitigation to abutters and the communities.

'The people are now frightened to death of a safe mode of transport of needed fuel and economic development of our port, so the project may fail. The railroad Pan Am and the state transportation folks were nowhere to be seen on this hot potato.' {e-mail to ANR&P}

NEW HAMPSHIRE

MBRX v PAN AM: 1ST CIRCUIT DECIDES
25 September, Boston. THE APPEALS COURT FOUND IN FAVOR OF PAN AM on the appeal by MBRX of the District Court decision. [More in a future issue.]

RHODE ISLAND

PW: MORE ON LOST CUSTOMER*
14 September, East Providence. POND VIEW WILL NEED TO DEAL WITH ADDITIONAL DEBRIS. According to a rail observer, PW moved back to Pond View nine cars loaded with debris which were left in PW's Valley yard for weeks [see 12#08B]. {e-mails to ANR&P}

PW spokesperson Marie Angelini declined comment, except to say that the railroad 'hopes the location will be taken over by a rail customer since we’ve been servicing the site for approximately ten years.' {e-mail to ANR&P}

DAVISVILLE-SEAVIEW: CONTAINER AWARD**
13 September QUONSET DEVELOPMENT CORPORATION NAMED A CONSORTIUM OF SEAVIEW TRANSPORTATION AND NEW ENGLAND STEVEDORING SERVICES as the licensed terminal operator for container handling (and only containers) at the Port of Davisville handled by the mobile harbor crane.

SVTC operates the rail lines in the Quonset Commerce Park, while New England Stevedoring handles the autos [see below]. The two formed the Rhode Island-based company R.I. Port Services, which will provide container handling, receiving, and staging on Terminal 2 (aka Pier 2) at the Port of Davisville. Eric Moffett of Seaview and Tom McCree of New England Stevedoring will serve as principals for the new company.

[See Regional for possible barge service here.]

The RFP
QDC issued a request for proposals in late July to provide terminal services for three years with options to renew at Terminal 2. QDC will continue to operate it as a common carrier facility for RO-RO, containers, and breakbulk, according to the RFP. {text of RFP}

'Our search was guided by a recommendation of the Legislative Port Commission earlier this year that called
for maintaining the Port of Davisville as a public port, open to all shipping customers under the operational control and direction of the QDC,' Steven J. King, managing director of the QDC, said in a statement. 'R.I. Port Services delivered the most committed and thoughtful approach to our request, which will allow us to expand our business at the Port and help our state grow.'

QDC officials estimate the new shipping terminal should be fully operational by December. {QDC announcement reported by Providence Business News 13.Aug.12}

More on New England Stevedoring
The stevedoring company handles the autos at the port [at least as of 2006], according to principal Tom McGee. In that year he explained that John Orr, who owned John J Orr stevedoring and handled some of the auto business [see 99#13] died in 2003. McGee, who had worked for Orr for 18 years, founded his own company, which took up Orr’s work in January 2004. In addition to Davisville, McGee also handles transloading in Fall River, moving the steel coils which arrive by rail to a warehouse or out by truck to customers. {ANR&P discussion 15.Mar.06} [in 06#03A]

Support for decision
State Senator William Walaska offered congratulations on the hiring of a Rhode Island firm, according to a press release from his office on 14 September. Under the plan, for which improvements at the port have already been made, Davisville will become a feeder port: shallow-draft barges will bring goods from other container ports along the East Coast.

He was ‘pleased that the direction the QDC is taking at the Port of Davisville is very much in keeping with the goals and initiatives that were outlined following nearly three years of study by a legislative
commission looking into potential development and growth of Rhode Island’s port facilities.

Senator Walaska served as co-chair of the Special Legislative Commission to Study Potential Economic Opportunities in the Development of Port Facilities. In its final report issued earlier this year, the commission issued several recommendations that, the panel said, could lead to the creation of 1,000 new jobs, $70 million in personal income, $127 million in business revenue and $8.1 million in state and local tax revenue in the near future. [See 12#06A.]

The General Assembly also this year approved legislation sponsored by Senator Walaska that authorized the Economic Development Corporation and the QDC to issue revenue bonds for needed dredging at the Port of Davisville. [See 12#06A.]

Senator Walaska said he hopes that, as recommended by the study commission, the QDC works in close cooperation with other ports in Rhode Island, including the Port of Providence, ‘to further facilitate job creation in this extremely vital segment of the state’s economy.’ [as reported in dredgingtoday.com]

PROVPORT: COAL UPDATE
24 September. PROVPORT STILL SEeks COAL FOR EXPORT, said Bruce Waterson, the principal of the operating company, Waterson Terminal Services. The port has separate coal piles for different receivers [see 09#11B].

Public Service of New Hampshire
The port has received no additional coal since May. PW is moving coal to the Bow plant by rail on occasion.

Mt. Tom
No coal has moved for the First Light plant.

Public Service Gas & Electric
ProvPort supplies additional space when needed for this Bridgeport plant. A barge of coal, lightered from a ship off Bridgeport, arrived at ProvPort recently; the plant is not running. {e-mail to ANR&P}

COAL GENERATION
From July 2011 to July 2012, power generation by coal in Massachusetts (Mt.Tom and Brayton Point) dropped by 30%. In Connecticut (Bridgeport) 88%. In New Hampshire (Bow, and Schiller in Newington) 22%. {e-mail to ANR&P of EIA data table from Drew Grande of Sierra Club 26.Sept.12}

MARITIMES

CBNS: PAPER CUSTOMER RETURNING
22 September, Halifax. PACIFIC WEST WILL BEGIN MAKING PAPER IN EARLY OCTOBER, according to an announcement by Ron Stern, head of Pacific West Commercial Corporation of Vancouver. On 4 January the company was awarded the bid for the former NewPage mill in Port Hawkesbury by Ernst & Young, the court-appointed monitor overseeing the sale. It will purchase the mill on 28 September.

Pacific West is associated with Stern Partners, a Vancouver investment firm that also owns Alberta Newsprint of Whitecourt, Alberta, and Westland Paper, an Oregon-based mill.

The purchase was supported by enormous Nova Scotia government largesse: a $66.5 million repayable or forgivable loan; $36.8 million to date to keep the mill in hot idle and set up the Forestry Infrastructure Fund; and profit sharing increases from a cap of $9 million to a cap of $24 million.

The 1400 workers at the mill will all return to their jobs. Premier Darrell Dexter said: “The bottom line is that under this new agreement, the total amount the province will contribute – to support the workers, families, and businesses throughout the Strait – should be repaid in as early as 12 years and the province will have earned about $150 million in tax revenue.”
HOW FAR FOR PAPER AND LUMBER TO RETURN TO PRE-RECESSION LEVELS?
Roy Blanchard, in his Railroad Week in Review, ran some numbers using usraildesktop.com on forest products for CSXT and NS (thus US figures). Product traffic has come back to about half the peak. Most of the Maine and other New England moves out by either NS or CSXT, so the figures should reflect the regional plant output. As noted in the article, the restart of the Port Hawkesbury plant will affect Maine paper production. {editor}

Lumber both NS and CSXT.
Peak lumber loadings 3Q08, low 1Q09 at half the peak. 2Q12 halfway back.

OSB/panel board.
CSXT peaked 3Q08, low 1Q10 at half the peak. 2Q12 halfway back.
NS peaked 3Q08, low 1Q11. 2Q12 halfway back.

Printing paper.
CSXT earlier low 4Q09, peak 4Q10, now even lower in 2Q12.
NS peak 3Q08, low 2Q09. Lows were 2/3rds of peak. 2Q12 halfway back.

Pulpboard, NS and CSXT.
CSXT peak 3Q08, low 2Q10 (low 2/3rds of peak), 2Q12 little more than halfway back.
NS peak 3Q08, low 2Q09 (low 2/3rds of peak). 2Q12 halfway back. {e-mail 24.Sept.12}

New name
Pacific West will incorporate other mills and related assets into the mill under the name Port Hawkesbury Paper. This will improve its competitive position through disposition of the accumulated tax losses. {text of government and Stern announcements from foresttalk.com}

Resentment in Maine
John Williams, president of the Maine Pulp and Paper Association said in August: "Anytime you put more paper into a market that oversupplied, it's a threat." Speculating on the impact is premature, but he doubted the Canadian output would force an entire Maine mill to close. More likely mill owners in Maine would idle individual machines: "It could threaten a less-profitable machine that makes a similar grade of paper." {Tux Turkel in Portland Press Herald 27.Aug.12}

The Maine mill that would be most affected by the restart of the Port Hawkesbury paper mill is the Madison Paper Company mill in Madison 3, which produces 220,000 tons of paper a year and employs about 240 people, mill manager Russ Drechsel said. Both mills produce the same grade of supercalendered paper used for glossy magazines and catalogs. {Whit Richardson in Bangor Daily News 17.Sept.12}

FEEDER SHIP GONE*
14 September. THE FORMER AFL NEW ENGLAND, NOW THE WEC MAJORELLE, REGISTERED IN CYPRUS left Halifax this day for Casablanca on a charter. {e-mail from ANR&P correspondent Tom Peters}

NBSR: IRVING OPEN**
16 September, Saint John. THE CRUDE OIL RECEIVING TERMINAL IS APPARENTLY OPEN [see photo]. Unit trains continue to arrive. Pan Am had a unit train through Plaistow New Hampshire on 23

---

3 Served by Pan Am. Jointly owned by the New York Times (40%). Myllykoski's 60% became part of UPM-Kymmene in 2011 – see 10#12B. {NYT 2011 annual report}
September. {NERAIL post} MMA had a unit train through St.Jean, Quebec, on the same day. {Frank Jolin post on MMA-rail e-list}

SAINT JOHN: ADDITIONAL SERVICE**

14 September. THE MSC CURRENT BIWEEKLY SERVICE WILL BECOME A FIXED WEEKLY SERVICE STARTING OCTOBER 2012, the carrier Mediterranean Shipping Company announced.

“In May 2012, MSC launched a bi-weekly service at Port Saint John [see 12#04A], demonstrating our commitment to the business communities in Atlantic Canada. This service instantly offered local shippers new connection points to international markets. The decision to go with a weekly service was to accommodate these growing demands and provide long-term stability to our customers. This service enhancement was based entirely on the commitments we have received from our customers, who understand the importance of utilizing a local option that makes sense and supports the local economy” said Sokat Shaikh, managing director of MSC (Canada) Inc. {text of announcement}

Customers applaud

Sarah Norgaard, regional sales manager MSC, said both the number of customers and accounts have increased to sustain a weekly service. “I can’t go into specifics but the increase is a sure sign we have been successful so far.” MSC always intended a weekly service through Saint John. “We just didn’t know if it would be sooner rather than later.” Four ships, approximately 2,400 TEU capacity each, rotate through Montreal, Saint John, Dominican Republic and the Bahamas. {Discussions with ANR&P correspondent Tom Peters 14.Sept.12}

Mary Keith with JD Irving reported of two Irving companies: 'Lake Utopia paper near St. George would be a significant customer [she declined to give amounts]. This operation makes [corrugating] medium for shipment to Latin America and South America. Also some pulp from the Irving Pulp and Paper mill [west side of Saint John] moves to Brazil.'

No Irving product is diverted from Halifax to use the Saint John service. {e-mail to Peters 17.Sept.12}
RAIL FREIGHT FACILITIES

Described in this issue.
Global (NS-Pan Am, Massachusetts) NIMBYs attack.
Irving Oil (NBSR, New Brunswick) Opens crude terminal.
Manhattan Beer (NYA, New York) Daily service.
Port Hawkesbury (CBNS, Nova Scotia) Reopens mill.
Pond View (PW, Rhode Island) Must dispose of debris.
Rawson (PW, Connecticut) Opened new quarry.

PEOPLE, EVENTS

Mike Leone is retiring from his post leading Massport maritime at the end of September. Mike, thanks for your frank and quick comments.