Clarendon&Pittsford RR
Québec, Quebec Central Ry, Central RR, Portland Terminal RR, Boston & Maine, all leased by England Southern RR, Organization, Milford-Bennington RR, Genesee & Wyoming Inc, Highway Admin., purposes), Cape Cod Central RR, Common abbreviations operating railroads + ports, intermodal facilities, and government environment

Helping to move rail and port traffic through New York, New England, the Maritimes, & eastern Québec. A weekly trade newsletter.

**REGIONAL**
Pan Am/CBNS: Paper mills argue.
Yarmouth-New England: Truck ferry coming?
GWl-RA: GWl will work with Vermont. Other filings.
Regional waste shippers*
Schnitzer Steel: Everett the leading facility.
MHF: Worcester for hazardous waste rail.
Int'l Forest Products: Scrap paper major export.
NEW YORK
CSXT: Marginal Selkirk dwell time improvement, but not overall system dwell.**
CSXT-Albany-Saint John: New crude move.**
QUÉBEC
[No report.]

**CONNECTICUT**
Connecticut Ports: Study recommends looking at wood pellets, scrap by short-sea, and fish.*
New London: Revise solicitation for State Pier.*
MAINE
SLR: Lewiston-Auburn branch bid in November.*
MASSACHUSETTS
CSXT: Move from Beacon Park to Worcester will occur over a period of weeks.*
MC: Podgurski remains as president though Iowa Pacific bought 80%.*
New Bedford: David Wechsler not sanguine about Massachusetts Ports Compact.*
NEW HAMPSHIRE
MBRX: Another crossing accident.*
RHODE ISLAND
[No report.]
VERMONT
MARITIMES
Sydney/SCR: Donkin coal mine permitting begun; Xstrata wants out; neither port nor rail to be used.*
Halifax: 3Q12 statistics show improvement.*
RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.
PEOPLE, POSITIONS, EVENTS
Charles Hunter, Deb Hadden.
EDITORIAL
[None.]

FROM THE PUBLISHER
Charles Hunter
I completely agree with VRAN's praise. See People.

Frankenstorm, bah!
The Amtrak and Pan Am crews testing the Portland-Brunswick line for the opening on 1 November ran all day on the 29th, while the rest of the Eastern seaboard was shut down and weather reporters were, as usual, hyperbolic. Congrats to those Maine rail workers.

- Chop Hardenbergh Next formal issue 12 Nov.

REGIONAL

PAN AM/CBNS: BORDER WAR?
24 October. U.S. TRADE OFFICIALS HAVE ARGUED TO THE WORLD TRADE ORGANIZATION THAT SUBSIDIES TO PORT HAWKESBURY SHOULD END, because tax breaks, grants, energy cost reductions, and timber subsidies for the CBNS-served mill [see 12#09B] could be challenged under the trade organization's rules. UPM's Madison Maine mill, served by Pan Am, faces a threat [see 12#09A], as it produces the same type of supercalendered paper. {MaineBiz 24. Oct. 12}

YARMOUTH-NEW ENGLAND: TRUCK FERRY?
26 October, Halifax. THE NOVA SCOTIA GOVERNMENT HAS ISSUED A DRAFT REQUEST FOR PROPOSALS IN ITS EFFORTS TO FIND A PRIVATE FERRY OPERATOR to re-open a service between Nova Scotia and New England. Information obtained from potential operators during this process will be used to formulate a formal request for proposals at a later date. {Nova Scotia government release 23. Oct. 12} The last Yarmouth to Maine ferry service ended in 2009 [see 09#12B].

The government will commit $21 million to re-float the service if the federal government and Yarmouth municipality participate, and a private sector operator can be found [see 12#08B].

Trucks on board?
Government spokesperson Jennifer Gavin wrote, 'Whether the ferry would include commercial traffic or not would be part of the business case presented by the operator. It's most important for the operator to show that there is long-term sustainability and profitability.' {e-mail to ANR&P correspondent Tom Peters 26. Oct. 12}
**GWI-RA: FILINGS**

The proposed merger of GWI and RA [see 12#09A] elicited these filings in FD 35654. {STB website, filings page}

**VAOT**

'Based on assurances provided VTrans by Genesee & Wyoming, Inc. (GWI) (Pappis V.S. at 3), VTrans is confident that this productive collaboration can continue after GWI assumes control of NECR.' The agency requested that the STB 'condition its approval of the transaction on the following conditions:

- Continued participation by NECR and affiliated companies in joint and coordinated high-speed and intercity passenger rail planning;
- Continued participation by NECR-affiliated companies in the FRA's High Speed & Intercity Rail Program (HSIPR); and
- Continued adherence by NECR and affiliated companies to existing agreements for federally funded passenger rail projects.' {15.Oct.12}

**GWI response to VAOT.** On 26 October GWI and RA filed a response to all comments. In the section on VAOT, the response stated: [T]here is no need for the Board to entertain the specific conditions requested by VTrans and no reason for the Board to do so. The conditions requested by VTrans do not address Transaction-related competitive harms and are therefore not appropriate in the context of a minor transaction subject to section 11324(d) for the reasons discussed above.

'After any STB approval of the Transaction, GWI and NECR intend to work with VTrans officials in planning for future developments of the railroad network in Vermont and to promote safe and efficient realization of current and future freight and passenger transportation opportunities. This will be a continuation of the existing positive relationship between GWI and VTrans, as demonstrated by the operations of the GWI subsidiary St. Lawrence & Atlantic Railroad Company in Vermont today.

'Further, GWI and NECR intend to participate in future discussions of new passenger rail efforts with VTrans and federal officials concerning services that can be undertaken in a safe manner, do not compromise current or future freight services on NECR lines, provide an adequate reimbursement for expenses and address possible liabilities associated with such new services.

'Although the St. Lawrence & Atlantic Railroad Company [the only GWI railroad in Vermont – editor] does not currently operate passenger service, other GWI subsidiaries have significant experience with passenger operations. GWI's Portland & Western Railroad has a long-standing relationship with the Washington County Commuter Line (“WES”), and operates a commuter rail service over a 14.7-mile corridor from Beaverton, Oregon to Wilsonville, Oregon on behalf of WES. Ridership averages 1,700 passengers per day and on time performance was better than 98% in 2011.

'There is no reason for the Board to address rail passenger issues in Vermont in connection with the Board’s approval of GWI’s control of RailAmerica and its railroads. There is a solid history of cooperation between GWI and VTrans and federal officials and no reason to believe that the existing positive relationship will change.' {26.Oct.12 page 29}

**Springfield Terminal Railway & Pan Am Southern LLC**

Each wrote that it 'respectfully submits its support.' {9.Oct.12} [Only a one-sentence filing by counsel Robert Burns.]

**NYSDOT**

The agency supported the transaction without condition. {5.Oct.12}

**HRRC**

It filed a notice to participate without comment. No comment has appeared as of 26 October.
SCOTT MCCALLA OF MAXEM CONSULTING: AN OVERVIEW
McCalla chaired the panel at the North East Association of Rail Shippers autumn meeting in Brewster, Massachusetts on 4 October [see 12#09B for other NEARS presentations]. A former senior rail analyst for Casella Waste [see 12#04B], he provided some background before introducing the three panelists:

Landfill use
Massachusetts landfill facilities: 23 active, 11 of these have permits expiring by 2018. Waste generation has grown by 50% since the mid-1980s, but levelled off in the last two or three years. “We've seen a decrease of tons going to landfill. Recycling has helped: it has grown from 10% to 35% of the waste stream between 1960 and 2010.

Truck and rail
Some 98% of waste moves by truck. The average length of haul is 470 miles by rail, truck only 32. “That has to change as landfills are closed.”

But waste has a high barrier to entry. The big three national companies (Waste Management, Republic, and Allied Waste) “can swoop in pretty quick and make a project happen. The business is capital and regulatory intensive, not something to dabble in.”

MHF SERVICES
Bill Dawson, business development manager, made the presentation. MHF is a 'packaging, transportation, and logistics provider for generators and shippers of radioactive, hazardous, and non-hazardous waste.' Until purchased by Penguin Logistics, it was called MHF Logistics Solutions [see 09#08B].

Railroad use
Dawson said, “Our assets lie with rail, we have a focus to drive waste to rail.” MHF is the railroads’ largest client for radioactive and hazardous waste, materials and byproducts. It has more than $60 million in owned and leased railroad assets. Its private fleet consists of 1,200+ cars with 700 containers. “Mill gondolas are the strength; intermodal containers and flat cars are our second-biggest asset. We also have boxcars, tank cars, and hoppers.”

The intermodal fleet and soft-sided containers are used in truck-to-rail transfers of packaged waste in locations that aren't convenient to NHF permanent transload facilities.

He declined to provide an annual total of MHF carloads moved.

Facilities
MHF has five permanent facilities: Worcester; North Bergen, New Jersey; Oak Ridge, Tennessee; Parker, Arizona; and East Argenta, Nevada. Worcester services all of Massachusetts and into Connecticut, Rhode Island, and New Hampshire. North Bergen supports projects in New York, all of New Jersey, and eastern Pennsylvania.

Challenges
“The biggest challenge is finding work,” said Dawson. Several aspects pose difficulties:

- Work is not steady; it is centered on events and projects. Equipment often leases for longer terms than projects.
- Finding transload/transfer locations on railroad property, where the railroad is willing to support hazardous waste projects, presents a challenge because of the perceived liability. Ditto for the dray (front- and back-end). Dray is less of an operational challenge than transfer / transload, but dray distance and cost can drive the
economics away from rail.

- Railroads do provide a significant advantage over trucks:
  - a 100-ton payload
  - better safety on accidents per mile basis
  - less public relations damage than a road accident
  - the green alternative.

- Dawson emphasized that rail sometimes lost out on bids merely because the railroads cannot provide a quick quote, meaning a quote within a week or so. His challenge is “to educate the contractors and consultants that the rail process, both quoting and equipment mobilization, is vastly different than trucking.”  

SCHNITZER STEEL INDUSTRIES INC
Dave Pagliuca, New England regional logistics manager, presented.

About Schnitzer
Recycling Today ranked the company the 3rd largest ferrous, and 6th largest non-ferrous, scrap processor in North American in 2011. That year the company purchased 5.3 million tons of ferrous scrap and 569 million pounds of non-ferrous scrap, exporting over 4 million tons of ferrous scrap worldwide.

Schnitzer operates 118 facilities in 13 states as well as Puerto Rico and Canada. Seven are export terminals located on the East coast, West coast, Hawaii, and Puerto Rico. In FY11 the company made ten acquisitions, adding locations in seven states and a new region in western Canada.

Of the outbound ferrous scrap, 95% is going to steel mills overseas.

New England: some rail
The Everett facility receives about 75 cars a month; adding in Schnitzer’s Providence facility they together receive about 130 cars per month, or about 12-15,000 tons per month [see table].

More on Everett
Schnitzer has put $100 million into Everett infrastructure [see 09#03A]. It ranks as the top processing facility for Schnitzer, and #2 or #3 in the entire country. [Compare 07#06B.]

Outbound waste by rail
Outbound Everett does barely 3% by rail [see table]. The facility is processing scrap every day, and needs to

\[^{1}\] Schnitzer receives from four OneSteel yards in Maine [see 09#01B]. Caribou 100% by rail, Bangor 50% (ST and MMA put together a special rate so the scrap could move by rail), Oakland 20% rail, and Augusta 0% rail (all truck).  

{ANR&P discussion with Pagliuca 16.Oct.12}
move waste out. “It's not rail's fault, but railcars only move so fast.”

About 110 outbound cars of waste, and maybe 10 of scrap, move each year.

Waste is basically a commodity for landfills; by sending trucks out with the waste, Schnitzer positions them to truck the scrap back, thus keeping the scrap delivery by rail down. “I don't know how much more rail we could do.

Schnitzer sends the most waste to “six big Waste Management facilities in Massachusetts, New Hampshire, and Maine” under a three-year contract. It also uses the public landfill in Berlin, New Hampshire. Pagliuca added, “We have contacts in the Midwest [for waste disposal], if we need to go there.”

**Everett export**

One of the seven export terminals, Everett has 14 to 20 ship calls a year. It receives by truck and rail, with 14 car spots inside, and 14 car spots for storage outside.

Out of Everett it goes for the most part to Turkey and the Mediterranean. The little domestic by rail goes to mills in Ohio and the Pittsburgh area. *(ANR&P coverage)*

**INTERNATIONAL FOREST PRODUCTS**

**Rob Shepard,** director of transportation and logistics for the Kraft Group, presented.

Shepard handles transportation and logistics for the entire Kraft Group, and particularly for IFP, one company within the forest products and packaging sector of The Kraft Group (the other three sectors are Sports & Entertainment, Real Estate Development, and Private Equity Investing).

The forest products and packaging sector has five companies [see chart].

**About IFP**

Established in 1972, IFP is North America’s largest privately-owned trader of forest products commodities.

**US Recyclates**

Jeff Ryalls, who formerly managed logistics and transportation in Shepard's Transportation Group [see 08#04A], is now the general manager of the US recyclates division of IFP in the Kraft Group.

This division includes recycling for the three Rand-Whitney plants, sourcing for the Rand-Whitney containerboard plant in Montville, Connecticut, plus the New-Indy joint venture in California, and IFP.

**IFP trade**

IFP conducts business in over 80 countries with 350+ port pairings. The company sells, mostly overseas, the following products. Some of these are produced by Kraft Group companies.

- raw fibers
  - wood pulp (95% railed to North American ports)
  - recyclates move all truck domestically, and 25% via intermodal rail to US ports.

- rollstock (containerboard (brown paper for boxes) & newsprint). Over 90% is railed to North American ports.

- softwood lumber & panels (less than 10% by rail to US ports)

- fine paper, newsprint, copy paper, and other directory grades (more than 85% moved by rail)

- and other forest products such as biomass.

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3 Recyclates' is the newest, fanciest name for waste materials which can be recycled.
National use of rail
IFP's nationwide rail volume exceeds 12,000 cars per year. It uses seven of the RailAmerica roads, and eleven of the Genesee & Wyoming roads. In New England these are NECR, HRRC, PW, and SLR. IFP also does business with Pan Am and MMA.

National and New England use of ports
IFP is the “22nd largest ocean container exporter, and the largest in New England,” Shepard told the audience. Of the six container yards where IFP sends its wastepaper for furthering to a US port, Worcester has by far the largest share [see chart]. Note that trucking a container direct to the port has much the largest share of total container export moves.

Shepard said that IFP contracts with all the packers (balers) in the area to use Worcester. The containers then move out of the Intransit yard on PW to CSXT and thence to the Port of New York.

IFP also trucks some wastepaper direct to Judge in New Jersey, which stuffs it into containers for export over New York.
IFP in New England/eastern Canada
The company is a 'large container exporter through Ports of Boston and Montreal.' It also moves product breakbulk through Quebec (Trois Riviere), Maine (Portland and some Searsport), and Connecticut (a little lumber through New London) terminals.

It orchestrates truck and rail traffic in New England exceeding 45,000 loads per year, 90% of that truck. It conducts business with California, Maine, and New Hampshire forest product companies.

Rand-Whitney plants on rail
Three locations are rail-served: Rand-Whitney Container plants in Worcester [see 02#10B, 10#07B], Newtown Connecticut on HRRC [see 02#11A, 10#07B] which both receive medium rollstock by rail, and a recycling facility in Pawtucket which does a bit of business.

But no rail for the largest: Rand-Whitney Containerboard

As the map shows, the Montville plant serves only nearby users (average outbound move 45 miles) and uses only nearby suppliers (average inbound 55 miles). Because the product moves exclusively by truck, the backhaul of materials to the plant moves also only by truck.

Wastepaper potential for rail
Shepard saw some domestic opportunities moving fiber but that depends on mill location and the local recyclates supply base. The real opportunity lies in using inland container yards to move short-haul, probably to ports [see NS remark about short-haul in 12#09B].
**Problems using more carload rail**

Shepard put up a slide showing these comments from his mill managers:

- “When the Ontario mill [California] started up in 1985 we received a significant volume out of the Midwest via rail. Over the years the fiber cost in the Midwest got too high compounded by extraordinary increases in rail cost. Not to mention how ‘ripe’ some of the material got after a couple weeks in a railcar.”

- Oxnard [California] brought in OCC by rail about 15 years ago but has not resumed rail operations.

And a New England mill manager from another company said that the last railcar received for wastepaper was years ago.

**Operations and logistics.** Waste handling is “very fluid, you need a lot of drop trailers. For small balers, you leave a trailer there all week.”

Recycling operations occur near urban area (the producers of the trash), where more flexible trucks operate better.

**Tracking for transloading.** Unlike paper rolls or pulp bales, waste paper bales have no label, and bales are not separately weighed. “The industry is not as sophisticated,” said Shepard. Loads are commingled. This leaves the supplier susceptible to weight claims from the receiver.  

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**NEW YORK**

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CSXT: Dwell Time*

**CSXT Has Improved Selkirk Dwell Time Over 2007.** Five years ago, Selkirk was considered a less than fluid yard, giving rise to concern among New England short lines connecting to CSXT [see 07#08A]. In July 2007 its dwell time hovered around 29 hours, ranking it around 11th of the 15 yards listed for the week ending 27 July.

For 2012, the comparable four weeks were 27.8, 25.0, 26.9, and 27.2 hours. The 27.2 hours for the week ending 27 July ranked Selkirk 12th out of 15 yards.

However, overall the CSXT system dwell time for that week hit 23.1 hours, worse than the 22.8 hours system wide for the same week in 2007. {AAR figures in www.railroadpm.org}

But only a tiny improvement since 2010

The graph shows that three terminals, Selkirk, Cincinnati, and Hamlet, all were hitting about 28 hours in September 2010. Hamlet got down to 25 two years later, but Selkirk and Cincinnati only improved a tiny bit. Meanwhile Buffalo has dropped five hours. {courtesy Roy Blanchard}

CSXT-Albany-Saint John: New Crude Move**

18 October, Albany. **Irving’s Saint John Refinery Will Receive Crude From Albany,** Port of Albany General Manager Richard Hendrick related to Atlantic Northeast Rails & Ports. He was responding to the announcement 12 October by Houston-based Buckeye Partners, L.P. that it will handle crude oil at its Port of Albany terminal. Buckeye stated that partnering with a subsidiary of Irving Oil Limited, under a multiyear agreement, it will provide off-loading of unit trains, storage, and throughput crude oil service. The new service carries out Buckeye’s strategy to increase utilization of its existing assets.

Source and Transportation

The crude oil comes from the Bakken field in North Dakota, which is served by both BNSF and CP. CSXT serves Buckeye.3 Hendrick wrote that the Port 'believe[s] the first trains are scheduled to arrive Nov. 1' of this year. 'Buckeye has been expanding/improving the facility for the past year.'

According to Hendrick, tankers will carry the crude to the Irving refinery in Saint John.4 'The first shipment on the water is scheduled for mid- to late November. The ship will be approximately 650 [feet in overall length and] believed to carry 1.5+ million barrels. In June '13 they expect to add a 2nd similar-sized ship [to this crude oil transport service].'

Hendrick understands 'the frequency will be 2 – 3 week turnaround on the ships when the second ship is put in [service].'

Regular large-volume transport of ethanol and crude oil will likely keep the Hudson River up to Albany free of ice year-round, reducing the need for ice clearance by the Coast Guard, Hendrick added.

Carol van der Veen, Irving Oil spokesperson, declined to comment: 'As a private company, we don’t offer detail on our commercial or day-to-day operations. As a result, I’m not able to offer anything further related to your inquiry.'

Buckeye Facility

The facility expansion will accommodate both crude oil and ethanol unit trains with a total capacity in excess of 135,000 barrels per day when finished, Buckeye said. The Times Union quoted Hendrick that port revenues from Buckeye would range from $150,000 to as much as $500,000 a year.

Hendrick later wrote that Buckeye is not expanding the track on its leased property [see map 12#01A]

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3 Corrected from e-bulletin to remove Hendrick’s belief that CP would serve Buckeye. CSXT serves Buckeye from the south. Editor

4 Irving continues to receive crude via both Pan Am and MMA, each interchanging to NBSR. An empty unit train passed west through Haverhill on 17 October. {NERAIL e-list} A loaded eastbound paused at Waterville on 16 October. {e-mail to ANR&P 16.Oct.12} Loaded #606 passed through Sherbrooke on 8 October, and empty #607 went west on 9 October. {MMA-rail e-list}
for this new traffic. 'The trains will arrive on the track currently used for the ethanol transloading; that product is being moved to a different location within the footprint of South end of the Port where Buckeye is installing new pipe to carry that product to the tank farm. There will be extra trains, however not a lot of new track as just about six years ago we expanded the track for another grain product.' {Hendrick e-mails to ANR&P correspondent Laurel Rafferty 17 & 18.Oct.12; Eric Anderson in Albany Times Union 16.Oct.12; Buckeye Partners press release 12.Oct.12; Van der Veen in e-mail to ANR&P 19.Oct.12}

Total Albany capacity
Global Partners is already moving crude through Albany at its terminal just outside the Port District [see 11#10B and map 11#01B]. It will increase crude handling in the coming months, said Mark Romaine, senior vice president of supply and distribution at Global Partners headquarters in Waltham. {discussion with ANR&P correspondent Laurel Rafferty 1.Oct.12}

Buckeye's 1.8 million-barrel tanks (per Times Union) and Global's 1.4 million [see 12#07A] can store Bakken output. Buckeye's throughput of 135,000 barrels added to Global's 150,000 barrels would account for nearly half of the total Bakken daily output of May 2012. *Editor*

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**CONNECTICUT PORT STUDY**

4 October, Hartford. **GOVERNOR DANNELL MALLOY ANNOUNCED THE COMPLETION OF THE PORTS STUDY** due at the end of July [see 12#07A].

It 'specifies four existing sectors in need of retention and expansion efforts:

- Liquid bulk and related energy uses at all three deep water ports
- Shipyard and ship repair services at all three deep water ports
- Private ferry services at Bridgeport and New London ports
- Dry cargo at New Haven and New London ports

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The report also identifies opportunities for growth:

- Scrap metal exports from New Haven
- Wood pellet exports from New London
- Lumber, copper, and steel imports to New Haven or New London
- Fresh food imports to New Haven and New London

**New solicitation for New London**

'As a first step, the Governor has directed the DOT to utilize recommendations from the study in its solicitation for an operator at the State Pier in New London. [See next article] The DOT had previously extended the current contract to await the results of the report. The new solicitation will be guided in part by the specific recommendations contained in the study.' {press release from governor's office}

**“Tell the truth”**

At the Connecticut Maritime Commission meeting on 17 October, Commissioner Bob Ross (executive director of the state Office of Military Affairs) said he was happy with the process. The DEEP, DECD, and DOT commissioners told the consultant from the beginning to “tell the truth, make the effort market-based and prioritize recommended state investments.”

**Governance a priority**

The Maritime Commission decided to devote its November meeting to the study, and 'especially to the governance issue.' {draft minutes of Maritime Commission}

The study posed two alternatives: continue with the present patchwork of authority over the three deepwater ports, or create a statewide port authority. {study page 13}

'Connecticut deep water ports are the only East coast ports without dedicated, state-level financial and institutional support. State-level entities in Maine, Massachusetts, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia provide some or all of the following: direct financial support, credit assistance, simplified regulatory regimes (including land use), and high level marketing and economic development services.' {page 70}

MORE ON THE CONNECTICUT PORT STUDY IN A FUTURE ISSUE

**NEW LONDON: EXCERPT FROM PORT STUDY**

**REVISE STATE PIER SOLICITATION**

Public entities have spent more than $58 million overall in support of New London port facilities, including $43 million for emergency repairs to the State Pier. The State Pier has been operated by a private stevedoring company since the early 1980s. The leases have averaged seven years in length with rent based on a percentage of gross receipts. These short-term leases and rent structures do not incentivize cargo growth.

The current operator [Logistec – editor] has slightly increased salt, steel, and specialized cargoes from their low point in 2009. However, despite consolidating New Haven and New London operations under the current operator, total tonnage at the State Pier is approximately one-third of its 2004 levels.

As the current lease and extensions expire, the State should revise its solicitation process to seek a long-term lease that rewards cargo growth appropriate to New London and that leverages public investments with private investments, representing a public-private-partnership. The State should NOT make additional investments without securing complementary private sector investments.

The State should use a two-step solicitation process in order to discover a range of options from the private sector and achieve this public-private-partnership. The first step is a Request for Expressions of Interest... followed by proprietary discussions with individual respondents. These discussions then inform the second step, a formal Request for Proposals, based on at least three requirements:

- A long-term lease, in the general range of thirty years
• An up-front payment or capital investment by the lessee
• A potential capital investment by the State (e.g. infrastructure or specialized equipment) linked to specific and long-term cargo commitments (e.g. plate steel imports or wood pellet exports) {Study, page 10}

MAINE

SLR-LAR: AUBURN UPDATE*
22 October, Augusta. THE FIRST PHASE OF TRACK CONSTRUCTION WILL GO TO BID IN NOVEMBER, according to Catherine Rand, project manager at MDOT for the new 'Rangeley Branch' on the former Portland & Rumford Falls alignment [see map in 12#04B]. SLR will not itself bid, though it will supply some materials.

HNTB completed the design for the 6600 feet connecting the SLR to the Lewiston-Auburn line. Rand is only waiting for the Corps of Engineers to sign off. The winning bidder will rehab the existing railbed, construct new railbed at the two ends, and then lay the track.

In a second phase, not yet designed by HNTB, a contractor will build spurs. {ANR&P discussion}

MASSACHUSETTS

CSXT: BEACON PARK
22 October, Boston. INTERMODAL OPERATIONS WILL TAKE WEEKS TO TRANSITION TO WORCESTER, wrote spokesperson Bob Sullivan, beginning in late 2012. 'We expect the transition will be complete in early 2013. This phased relocation is intended to ensure that the process occurs with little or no disruption to commuter or freight operations.' {e-mail to ANR&P}

In the interim, CSXT continues to adjust Boston and Worcester intermodal schedules. For example, beginning 5 November the international service from Elizabeth Marine Terminal to 'Stackbridge' (Intransit Container on PW) will operate five days a week, Monday to Friday. {CSXI Fast Facts 16.Oct.12}

Since 26 July CSXT has operated that lane only Tuesday, Thursday, and Saturday. {CSXI website}

MC: MORE ON SALE**
22 October, Chicago. IOWA PACIFIC ANNOUNCED 'ACQUISITION OF A CONTROLLING INTEREST' in Cape Rail, the parent of MC and CCCR, as well as Coastal Rail Services. [See 12#09B.]

Podgurski remains
'Chris Podgurski, who will be continuing as president of Cape Rail, said “We are very excited to be working with Iowa Pacific. Access to Iowa Pacific’s marketing and equipment resources will substantially enhance Cape Rail’s ability to grow both its freight and passenger services. We are also looking forward to working with CSX Transportation, the Massachusetts secretary of transportation, and MassDOT’s rail unit to further develop rail transportation in the state.”

'Ed Ellis, president of Iowa Pacific, said “We are pleased to add Cape Rail to our portfolio of railroads. We believe Cape Rail has significant growth potential, and are eager to assist the existing management team in realizing that potential. We are particularly pleased that Chris Podgurski is joining our management team.”

'Ellis also noted that, “With the addition of Cape Rail, and the recent start-up of operations of our new Santa Cruz and Monterey Bay Railway in California, Iowa Pacific now has a truly coast-to-coast scope.”
'Including Cape Rail, Iowa Pacific now operates nine railroads providing freight and/or passenger service, located in Texas, New Mexico, Colorado, Illinois, Oregon, New York, California and Massachusetts. In addition, the company has recently launched it new Pullman sleeping car service between Chicago and New Orleans.' {text of press release}

**On MassDOT and Coastal Rail Services**

On 23 October, Podgurski explained that Cape Rail included subsidiary Coastal Rail Services Inc, a car repair facility Cape Rail set up two years ago as an AAR shop. It does work for itself, FRTC, and Eyal Shapira's railroads.

He also noted that the agreement between MassDOT and Cape Rail for the operating rights to the track requires a notice of a change in stock ownership. Cape Rail has done that.

Finally, asked about direct service to Gold Medal Bakery, he said MC had done nothing more to the track. Delivery to the Fall River Pier yard “is working fine” [12#05A reported three cars a week]. If the pier cannot handle it, we will take steps for improved service.” {ANR&P discussion}

**NEW BEDFORD: REACTION TO THE PORT PLANNING**

19 September. “A PORTS STRATEGIC PLAN IS OVERDO, IF IT WORKS,” said David Wechsler, president of Maritime International Incorporated (MI) here, on 14 September. In a followup interview on 19 September, he gave a tour of one of his New Bedford operations, Bridge Terminal on Fish Island, a refrigerated terminal which handles local fish.

He noted that MI is an independent company that invests not only in its infrastructure, but in marketing the Port of New Bedford as portal to both New England and eastern Canadian markets. Through investing over the past 20 years, MI now handles 95% of the international waterborne cargo of the Port of New Bedford. “New Bedford’s a niche breakbulk (not container) port, superb for certain perishables, mainly local seafood, and other perishables from abroad,” which MI handles.

**Skeptical of the Strategic Plan**

Wechsler argued that the firm’s, not government, investments produced the results. Government has helped in other areas, though. He listed city and state help on the Cape Wind project; the former mayor fighting very hard for the fishing industry, helping to reinstate very modest quotas; and the current mayor encouraging port-railroad reconnection, reinstating switching operations.

As for the Massachusetts Ports Strategic Plan? “I’m skeptical,” he said. He has experienced disincentives to inter-port cooperation, pointing out, for example, “Massport staff are paid to take cargo out of Boston, [not other ports].

“If MassDOT – ideally – could analyze strengths and weaknesses of the various ports and set up a method to share this information and [for ports] to assist each other, that would be beneficial. For example, if a container line came to New Bedford, we should recommend it go to Boston; if there was a company that wanted to ship breakbulk, we should refer it to New Bedford. But we never had that kind of cooperation. Massport makes trade missions and could promote other ports as part of this.” {interview with ANR&P correspondent Laurel Rafferty 19.Sept.12}

**Others decline to comment**

Terminal operators at the member ports of the recently established Massachusetts Ports Compact were asked for their views on the ports strategic planning effort. Only Wechsler agreed to an interview.
NEW HAMPSHIRE

MBRX: UPDATE

Another accident
On 17 October a dump truck ignored warning signals and crossed the MBRX tracks on Burnt Hill Road in Wilton, in front of the train. The collision seriously injured the truck driver, and slightly damaged the locomotive.

Engineer David Raymond was not injured. Peter Leishman, the railroad owner, said: “There's a lot of damage in the front [of the locomotive], but the cab is so well protected that you don't feel a thing. So he's fine, physically. Nobody ever likes to go through an incident like this.” {wmur.com}

Operations
Leishman informed NHDOT: 'We will be spreading ballast stone between Wilton & Greenfield today [16 October] between MP 16.36 - MP 26.00. As the section of track between MP 19 and MP 26 is normally "quiet track", I wanted to give you a heads up. This work is to fill several small washouts.' {e-mail to ANR&P 16.Oct.12}

VERMONT

VAOT: WESTERN CORRIDOR RAIL

23 October, Middlebury. VERMONT WILL RE-ESTABLISH PASSENGER SERVICE FROM RUTLAND TO BURLINGTON BY 2017, regardless of federal funding, said Chris Cole, VAOT Policy, Planning and Intermodal Development director at the Vermont Rail Action Network (VRAN) annual meeting held at Middlebury College’s Kirk Alumni Center.

Cole said Governor Peter Shumlin’s energy plan calls for quadrupling the number of Vermont-based passenger rail trips to 400,000 by 2030; and doubling the amount of freight tonnage transported in-state from 2011 levels by 2030. In order to do this, the administration is pledging to support high-speed rail throughout New England, which includes extending the Vermonter passenger rail service to Montreal and “developing service in western Vermont by linking Burlington, Rutland, and Bennington with new, or additional connections to Albany, New York and New York City.”

Cole cited 12 rail projects slated for the 2013 construction season, including six miles of continuously welded rail. “We anticipate having western corridor projects in the budget next year as well that will obviously need legislative approval.”

“Everyone in this room knows that extending (rail service) to Burlington is a no-brainer,” he added. “You have the state’s largest concentration of population — 150,000 in the Chittenden County area. That’s a quarter of the state’s population that isn’t directly served by rail.”

VRS support
VRS President David Wulfson agreed. “It’s time to work on the western corridor,” Wulfson said, voicing some frustration with years of applying for grants and seeking action without gaining a lot of traction. “We support Amtrak and we will do everything we can to help get it to Burlington,” Wulfson said. “We do feel we have the right team in place to do that.”

Wulfson estimated another 68 miles of rail need to be improved along the western corridor.

Middlebury support
Jack Byrne, director of Middlebury College’s Sustainability and Integration Office noted his institution has a goal of becoming carbon neutral by 2016. It has moved toward that goal by investing in renewable and sustainable energy sources (such as its biomass plant) and purchasing carbon offsets. But he acknowledged the
college community does a lot of traveling by airplane and automobiles, which generate a lot of greenhouse gases.

**Funding**
Upgrades from Rutland to Burlington will cost $35 million to $45 million, and will probably “have to be knocked off in chunks. We will keep plugging away at it,” Cole said, with state funds only if necessary. “We are developing a plan irrespective of what’s going on at the federal level.” {John Flowers in Addison County Independent 24.Oct.12}

**Ethan Allen**
According to Chris Parker, VRAN executive director, Amtrak will operate the service to Burlington with its Ethan Allen train. Later, the state will run the Ethan Allen the length of the western corridor instead of via Saratoga and the CLP. {e-mail to ANR&P 25.Oct.12}

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**MARITIMES**

**SYDNEY-SCR: DONKIN UPDATE**
16 October, Halifax. **NOVA SCOTIA POWER COULD USE DONKIN COAL AT THE RIGHT PRICE**, said spokesperson David Rodenhiser. Mine developers had hoped Nova Scotia Power would become a customer of Donkin coal [to be mined on Cape Breton – see 10#02A] but the coal would require mitigation at the power plants to eliminate such things as mercury, sulphur and chlorine “which tends to cause corrosion within the plant.” NSP has shied away from any commitment; it burns 2-2.5 million tonnes of coal a year, 20% domestic and 80% South American and US sources.

NSP “is interested in the right coal at the right price and as others as well are doing, we are waiting on the ownership situation with Xstrata.” [See below.] “So there are mitigating measures that can deal with these things so that’s why price would have to be right in order to facilitate the financing of those mitigations. So if we can get the coal cheap enough we can put the processes in place,” Rodenhiser concluded. {Discussions with ANR&P’s Tom Peters 16.Oct.12}

**Permits for production**
Federal and provincial environmental assessments of the Donkin export coking coal project in Cape Breton are under way. Xstrata Coal Donkin Management Limited registered the project for assessment on 16 July. Both the federal and provincial environmental departments, under an agreement, are carrying out a harmonized review of the project. {See the Nova Scotia Environment - Environmental Assessment Branch website at: www.gov.ns.ca/nse/ea/ or the Canadian Environmental Assessment Agency website at www.ceaa-acee.gc.ca (registry reference number 11-03-63924)}

**Timetable for production; Xstrata out?**
Xstrata Coal Canada Limited owns 75% of the project and Erdene Resources Development Limited 25%. The developers anticipate the environmental assessment process to conclude by mid-2013 and be in production by mid-2014. In full production the mine expects to produce 3.5 million tonnes annually of run of the mine coal and when washed 2.75 million tonnes suitable for international export coking plus international and domestic thermal markets.

However, Xstrata has changed its business strategy and is looking for an operating coal company to buy its share. {Erdene Resources website 26.Apr.12}

**Coal transport**
Developers continue with the idea of barging coal from Donkin to an offshore site and then transload onto capesized vessels for shipment to markets in Europe, Brazil and Asia. {Erdene Resources web site}
Thus neither rail (Sydney Coal Railway) nor port (Sydney) will be used, unless NSP can purchase the coal and treat the burn process to remove pollutants. Editor

HALIFAX: 3Q12*

18 October. THIRD QUARTER TONNAGE AT THE PORT OF HALIFAX ROSE 21% OVER THE SAME PERIOD IN 2011 according to quarterly port statistics. Total tonnage for the quarter was 2,684,795 metric tonnes compared to 2,220,948 metric tonnes in 3Q11. However, in year-to-date numbers, overall cargo was down 2.4%.

Container cargo grew 1.9%: 111,093 TEUs compared to 109,073 in 3Q11. But container traffic was down 6% for the first nine months of 2012.

Bulk rose 28.1% (1,618,163 metric tonnes) in 3Q12 versus 3Q11, but year-to-date numbers remained down 3.4%.

Break bulk rose 20.9% in 3Q12 to 118,119 metric tonnes. In contrast to the other categories, year-to-date general cargo has risen 15.5% to 349,361 metric tonnes.

Port comment
Halifax Port Authority’s Michele Peveril wrote, 'The Q3 stats reflect the ongoing gradual recovery in cargo volumes over Halifax and we expect to see a continuation of this positive trend. We have been foreseeing since the 2008/2009 recessionary period that it would take until 2014 for cargo volumes to fully recover and these statistics reflect that ongoing trend.

'[C]ontainerized cargo is recovering gradually, which reflects the challenging economic conditions some global economies and our local exporters are facing. Containerized volumes were up by 2% compared to Q3 2011 and [up] 9% over [the second quarter this year] which is a positive trend.' {e-mail to ANR&P's correspondent Tom Peters 19.Oct.12}

RAIL FREIGHT FACILITIES

Described in this issue.

Donkin (SCR, Nova Scotia) Still no plans to use rail.
Gold Medal Bakery (MA, Massachusetts) Still transloading.
International Forest Products (three plants on PW and HRRC in Regional) No rail for largest plant.
MHF (PW, Massachusetts in Regional) Description.
Schnitzer (Pan Am and CSXT, Massachusetts in Regional.) Everett largest.

PEOPLE, EVENTS

At its 2012 Annual Meeting, held October 23rd at Middlebury College, the Vermont Rail Action Network gave the Distinguished Jim Jeffords Award to RailAmerica’s Charles Hunter. 'Charles Hunter conceived and helped prepare successful grants that brought $52 million of federal funds to upgrade the New England Central Railroad, host of Amtrak’s Vermonter, then helped insure that RailAmerica successfully completed the project before any other ARRA grant in the country.

'While this project was the largest and most visible, Hunter has been responsible for nine successful grants in the eastern half of the RailAmerica system. In addition he has served as the railroad’s gracious liaison to the community, a valuable role that has won friends for rail across Vermont and across the United States.

'We know Hunter to be a good and decent man of integrity, nice to work with, unpretentious, trustworthy. Because of who he is, the company is perceived as a strong partner and asset to the state. Even
when the community’s wishes are not possible or not in the railroad’s interest, he explains it in a direct and unarrogant way that keeps communication open and leaves people feeling respected.’ {text of VRAN press release}

The Massachusetts Port Authority announced 25 October that Deb Hadden, deputy port director of properties and transportation has assumed the position of Acting Port Director where she now oversees all aspects of Massport’s Maritime Department.