**REGIONAL**

Regional diversion: Ethanol unit trains diverted to Providence; unknown if Motiva will barge to NY.*

Regional diversion: Containers diverted to Halifax.*

Region: An estimate of the capacity of Northeast refineries to accept and process crude oil by rail.**

Albany-Saint John: How large a ship?*

**NEW YORK**

NYA: Emergency supplies should come not by truck but by rail to Brookhaven Rail Terminal.**

**QUEBEC**

CSXT: Montreal-EMT & Philadelphia intermodal.**

**CONNECTICUT**

PW & NECR: Willimantic Waste Paper will start using PW as well as NECR.*

PW & NECR: Copar continues to move crushed stone to New York using NECR handing off to PW.*

**MAINE**

Pan Am: Lincoln mill still not using direct rail.

Pan Am: Amtrak makes inaugural run on Brunswick branch. Pan Am quarry supplies stone.*

**MASSACHUSETTS**

CSXT: Will move out of Beacon Park in January.*

CSXT: Bigda plans an announcement on North Brookfield in early November.*

**NEW HAMPSHIRE**

MBRX: Rehearing denied. Leishman wins election.

Pan Am: PSNH is stockpiling coal, but selling gypsum.*

**RHODE ISLAND**

[No report.]

**VERMONT**

[No report.]

**MARITIMES**

NBSR: Saint John rail line clogged (another reason for shipping crude?).*

Canso: Financing in place, Melford can buy 750 acres of provincial land.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Paul Carrigan.

**FROM THE PUBLISHER**

The election

For many of you, Sandy still holds center stage. But for me, in Maine, the election does, with such delights as the Ds retaking both houses in the Maine Legislature, and New Hampshire sending and all female delegation to DC. 'Live Pink, or Dye.'

Upcoming stories

Much more on the Connecticut ports study.


- Chop Hardenbergh

Next formal issue 21 Nov.
REGIONAL

REGION: ETHANOL DIVERSION*

6 November. **PW HAS HANDLED SEVERAL TRAINS OF BIOFUELS** as a direct consequence of the disruption in the fuel supply chain' due to Hurricane Sandy, wrote PW spokesperson Marie Angelini. 'Trains destined for Providence have been arriving at interchange for handling by P&W.' P&W has been handling biofuels since 2009.'

From Providence, the Motiva terminal can provide ethanol to Northeast markets. Johan Zaayman, head of US Manufacturing Communications for Motiva and Shell, wrote: 'Since the storm there have been several fuel ethanol unit-trains originally scheduled for delivery into NY Harbor re-routed to the Motiva Providence, RI terminal. The Motiva terminal has unit train off-loading, above ground storage tanks, and fully permitted capabilities that allow for Fuel Ethanol to be loaded on barges, ships, and tank trucks for distribution of ethanol inside and outside of the New England market.' {e-mails to ANR&P}

Did the ethanol eventually get to New York?

U.S. Senators Frank R. Lautenberg (D-NJ) and Robert Menendez (D-NJ) on 5 November called on the EPA to help relieve a fuel shortage in New Jersey by temporarily easing some biofuel delivery rules at East Coast shipping facilities. Due to damaged fuel terminals in New Jersey, millions of gallons of biofuels are currently unable to reach the state.

'Under normal conditions, significant volumes of biofuels are [railed] to New Jersey and received at two facilities: the Kinder-Morgan terminal in Linden, NJ and the Motiva terminal in Sewaren, NJ. However, both of these facilities incurred substantial damage during Hurricane Sandy and are unlikely to be operational in the near term. Since these shipments cannot reach New Jersey through the standard channels, alternative routes need to be opened in order to get this fuel to the region. Other terminals on the East Coast, including facilities in Baltimore, MD, could receive these train shipments and transfer the fuel to barges bound for New Jersey.

'However, some of these facilities do not have equipment, such as a marine vapor mitigation system, that is required by the Environmental Protection Agency (EPA) under 40 CFR Part 63, Subpart Y. Therefore, we ask that you issue a No Action Assurance (NAA) letter to the affected parties in order to address this issue.'

The EPA did grant this assurance. {Lautenberg press releases}

Zaayman declined to provide anything more definite, so your editor cannot report that any ethanol actually moved or will move out of Providence to either terminal in New Jersey.

REGION: CONTAINER DIVERSION*

1 November. **A NUMBER OF CONTAINER LINES TEMPORARILY STORED CARGO AT THE PORT OF HALIFAX** because of the closure of the Port of New York and New Jersey by Hurricane Sandy. Also, some cruise ships sheltered in the Nova Scotia harbour.

'Both container terminals (Halterm and Ceres) responded to the needs of their respective customers who were impacted by the temporary closure of the Port of NY/NJ,' wrote Halifax Port Authority’s Natalie Kenrick. 'The Port of Halifax remained opened..., naturally sheltered.' {e-mail to ANR&P’s correspondent Tom Peters 1.Nov.12}

Terminals busy

Calvin Whidden, Ceres senior vice-president, said the terminal handled about 2,000 extra containers for its

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1 Rail observers report a train on Pan Am eastbound 4 November, and another on NECR eastbound 3 November. {NERAIL and PW e-lists}
2 In 2008 Motiva announced it expanded its Sewaren, New Jersey refined products terminal rail yard, more than doubling its previous railcar handling capacity to approximately 200 railcars in a 24-hour period. "Motiva's Sewaren Terminal is a 5,000,000-plus barrel refined products terminal that is strategically located to serve ethanol suppliers and consumers in the Northeast," stated Ralph Otis, manager of the Sewaren Terminal. An entire unit train of 80-100 tank cars of ethanol can be unloaded at one time. The project also includes an expansion of the ethanol handling capability at the Sewaren Dock. Vapor handling equipment was added at a berth expanding the terminal's ability to receive and deliver ethanol via marine vessels. {PR Newswire}
customers in the Grand Alliance and ACL, which also call New York on regular scheduled basis. “There have been no additional ships but the ships that are here, three of them are dropping New York import cargo on the dock and they will later on pick it up with other vessels and take it down when New York is able to take it. A small percentage of the cargo will go to rail for the Midwest but the vast majority of it is New York cargo.” Ceres was running a 24-operation to handle the extra work. {Calvin Whidden in discussions with Peters 2.Nov.12}

Ashley Dinning, president and CEO of Halterm, said the terminal handled in excess of 3,000 containers for customers Zim and Maersk from 1 November until 4 November. By 5 November the extra cargo was reloaded and sent to New York. {discussions with Peters 5.Nov.12}

CN's Mark Hallman wrote: 'CN supplies cars to match demand. We did see some modest increase, but do not discuss our customer’s volumes in public.' {e-mail to Peters 6.Nov.12}

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Note: Buckeye's creating a second rail to marine crude oil transload in Albany [see 12#10A] raised the question of whether, or how long, either Buckeye or Global would be needed. Conclusion: that depends on the cost of building the unloading terminals at refineries and terminals which do not now have them. Some of the article is rewritten to make it clearer.

AN ESTIMATE OF THE CAPACITY OF NORTHEAST REFINERIES TO ACCEPT AND PROCESS CRUDE OIL BY RAIL**

Caution: this article is based on some estimates, not always exact numbers. Plus, the situation is evolving.

1. Question: Why are refineries from Saint John to the Philadelphia area using Albany to barge crude? Why not rail all Bakken crude direct to the refineries?

Answer: The refineries/terminals cannot now accept all their Bakken by rail.

This conclusion is based on a discussion of each refinery or terminal and its plans to use rail [see Background below]. (Since some stand-alone terminals are contemplating constructing rail receiving yards (“unloaders”), this article also covers them.)

Significant points

Only three refineries/terminals can now accept crude by rail. Only Irving Saint John, PBF Delaware City, and Sunoco Eagle Point can accept crude by rail [see table], though all have the ability to send product out by rail. [The table, and this article, does not include Plains Marketing's railing Bakken crude to Yorktown, Virginia.] Most refineries currently lacking capacity to unload crude by rail are working with NS and CSXT to establish rail unloading terminals. But those built a century ago have limited space into which to put a rail unloading terminal.

The refineries have excellent marine terminals. The refineries in the Northeast were constructed to receive crude by ship. A marine pipe has three advantages over rail: the capacity exists; it can unload at a faster rate; and it requires fewer workers to hook up one hose, rather than many workers to hook up one hose to each of many railcars.

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3 See Plains Marketing announcement on 6 August 2012 of a new unloading terminal with a 130,000-barrel a day capacity. Since the refinery at this location is now gone, Plains may view the Atlantic Northeast refineries as the market for the crude.
Consequently, a refinery or terminal can to good effect use a third party such as Global or Buckeye to transload the crude from rail at another point on the East coast to ship or barge, and then unload it at its marine pipe.

The refineries need a mix of crude. Refineries as currently configured cannot use 100% Bakken [see box], so must continue to receive crude by ship. Refiners could order a certain blend of crudes from the US Gulf, which are mixed at the Gulf and then shipped to the Northeast.

2. Question: Could direct rail in the future satisfy the need for Bakken?

Answer: Yes.

As the table and refinery discussion show, the three refineries/terminals which cannot now accept Bakken crude by rail are examining the possibility of creating crude oil handling facilities.

If they all constructed enough capacity to receive all the Bakken they could use, then (as discussed below) the rail system could deliver all the crude, apparently eliminating the need for Global and Buckeye terminals in Albany. However, whether they will all do so is not yet decided. And even if they decide to do so, the construction will take years.

| Refinery or Railroad serving | Crude by rail Crude by rail daily refining capacity capacity bbls |
|------------------------------|---------------------------------|---------------------------------|
| Irving Saint John CN (NBSR switching) | Yes: 98,000 | 300000 |
| Buckeye Perth Amboy terminal Conrail North Jersey | 3 years away: *** delivered to refineries. | 0** |
| ConocoPhillips ref Bayway (Linden) Conrail (M&E switching) | Not yet: 140,000 est +++ | 238000 |
| Hess Port Reading terminal Conrail South Jersey – Phila. | No: cannot do crude. | 0* |
| PES Philadelphia refinery Conrail South Jersey – Phila. | Not yet: 200,000 stated goal ++ | 335000 |
| Sunoco Eagle Pt Westville terminal Conrail South Jersey – Phila. | Yes: 35,000 est 0 – refinery demolished. |
| PBF Paulsboro refinery Conrail South Jersey – Phila. | Not yet: 90,000 est +++ 160000 |
| PBF Delaware City refinery NS+ | Yes: 110,000 stated 182200 |
| Sunoco Marcus Hook terminal Conrail South Jersey – Phila. | No: converted to storage 0 |
| Monroe Trainer refinery Conrail South Jersey – Phila. | Not yet: 100,000 est +++ 185000 |
| Total possible rail receiving in NY/NJ/PA area (Saint John excluded) 675,000 barrels/day (with estimates) |
| Total daily refining capacity in the Atlantic Northeast 1,400,200 bbls |

*Hess Port Reading has a production capacity of 70,000 bbl/calendar day but no crude unit capacity.** Buckeye states that customers are interested in Perth Amboy handling crude for delivery to them. [See description. This could mean that Perth Amboy would receive crude by rail and deliver to, say, ConocoPhillips by pipeline. Editor] *** The Buckeye terminal would then replace any direct rail. It does not create any new need for Bakken.


## See accompanying discussion of each refinery or terminal.

+ PBF is already barging from Albany. See discussion.

++ Assumes all crude comes from Bakken and not Eagle Ford.

+++ 60% of capacity. See article for reasoning.

Total rail quantity needed. The table shows that built and planned rail unloading at four sites can accept 423,000 barrels/day (PBF Delaware City 110,000 barrels, PES 180,000, Sunoco 35,000, Irving 98,000).

What about the refineries and terminals which have not yet announced plans? Their needs can be roughly estimated by using the percentages of Bakken from those refineries which already have existing or planned capacity.

PBF Delaware City, with a refining capacity of 182,000, will soon accept 110,000 barrels a day by rail. PES Philadelphia, with a capacity of 335,000, will soon accept 180,000 barrels a day by rail. (Irving is not used
because it is not in the area of New Jersey.) Those two indicate that a rough percentage figure of 60% Bakken could be applied to the other refineries to estimate how much, at max, each could refine along with other crude. The table shows estimates for PBF Paulsboro, Bayway, and Monroe.

Adding all seven refining and terminal needs (but not Irving Saint John) yields a rough guess of 675,000 barrels a day by rail.

### BASICS OF CRUDE OIL

Crude oils vary in composition from one oil field to another. An "average" crude oil contains about 84% carbon, 14% hydrogen, 1%-3% sulfur, and less than 1% each of nitrogen, oxygen, metals, and salts.

Crude oils that contain appreciable quantities of hydrogen sulfide or other reactive sulfur compounds are called "sour." Those with lower sulfur are called "sweet." Some exceptions to this rule are West Texas crude oils, which are always considered "sour" regardless of their H2S content and Arabian high-sulfur crude oils, which are not considered "sour" because their sulfur compounds are not highly reactive.

Light and sweet crude oils are more expensive and generate greater yields of higher-value refined petroleum products, such as gasolines, diesel, and aviation fuels. Heavier and sour crude oil qualities are less expensive and generate greater yields of lower-value petroleum products, such as fuel oils.

**What refineries use**

Each refinery needs a different “slate” of crudes which together allow the refiner maximum efficiency, and produce the volume of distillates it wants. Refiners will look for the maximum of Bakken crude to minimize Brent as long as the price spread continues, but cannot use 100% Bakken. They generally seek the cheapest feedstocks, based on price, transportation, and needs for their refining process. {various websites}

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**Total trains needed.** The number of trains needed depends on the unloading speed, the number of barrels in a car, and the number of cars in a train. Assume that each refinery or terminal builds the unloader to meet its daily need.4

- **Number of barrels in a car.** A car with total weight of 286,000 pounds carries just over 700 barrels; a 263,000-pound car just under 700 barrels. Assume 700 barrels/car.

- **Number of cars.** BNSF and CP serve Bakken. The BNSF website5 states it will provide 'dedicated train' rates for coal trains of 115-130 cars, for grain trains of 110 cars, for 'petroleum products' at rates for up to 99 cars, and then 99 and above, and a minimum of 100 cars for a crude train. Assume a unit train of 100 cars or 70,000 barrels per train.6

To send in 675,000 barrels/day requires roughly ten trains a day in, or 20 in and out.

Does the rail system in the region have that capacity? Back-of-the-envelope calculations say yes.7

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4 Unloading speed. A new unloader, which profits from the experience of previous unloading terminals, could unload two 100-car trains in less than 24 hours. Many have parallel spur tracks of 25 car spots and unloading manifolds [see photo of Irving yard in 12#09A of four tracks with two manifolds].

5 www.bnsf.com/customers/bakken-shale/ship-dedicated-train-service.html

6 This exactly meshes with this information:

On 21 September 2012, Bridger Logistics L.L.C. announced its Bridger Transfer Services L.L.C. subsidiary marked the first unit train shipment of Bakken Shale crude oil from a facility in Berthold, N.D., which is served by BNSF Railway Co. The primary shipper from Enbridge Rail L.P.'s new rail facility, Bridger Transfer plans to move unit trains at a rate of one per week, or 10,000 barrels per day. The company expects to continue transporting crude oil as the exclusive shipper at the newly-constructed facility until the project's second phase becomes operational in first-quarter 2013. Bridger Transfer then plans to increase its shipping capacity to three trains per week, or 30,000 barrels per day. {Progressive Railroading 24.Sept.12}

Based on this figure, one train = 70,000 barrels. *Editor*

7 Ten loaded unit trains inbound each day, 70,000 barrels each, could be (illustrative only) distributed in this way: two to Bayway; two to South Jersey for Paulsboro and Westville; three to PES, and three to Delaware City and Trainer. CSXT and NS, as well as Conrail, have enough
CSXT has one main line in, NS two, which should be able to handle an additional three or four trains a day each.

3. Question: how long are the Albany crude terminals of Global and Buckeye needed?

Answer: Global and Buckeye should be ok for years

If all refineries decided eventually to build rail, and the rail system moves 20 additional trains a day, the capital work and expenditure will take years for those refineries or terminals which have not announced plans. Presumably they are weighing the cost of building unloading terminals versus transloading in Albany or Yorktown Virginia, and looking at how long before pipelines serve Bakken (though pipelines will not reach every corner of the Bakken)\(^4\), and how long the Bakken field will last.

The table shows that if they build rail unloaders, the following refineries will have this need for Bakken crude: Monroe 100,000 barrels, Paulsboro 90,000, Bayway 140,000 (though Bayway could use the Buckeye Perth Amboy and pipeline).

Global (current capacity is 150,000 barrels/day [see 12#07A]) could deliver all its crude to these three (total 330,000 barrels/day). And Buckeye is delivering to Saint John, where Irving has already completed its unloading terminal. {calculations by your editor, figures from sources noted, description from an industry source}

Global sees a bright future

Mark Romaine, senior vice-president of supply and distribution at Global Partners [see 12#10A Albany], said on 24 October that he was aware of crude oil moving by rail into the Philadelphia area. However, any additional

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\(^4\)John Lanigan, BNSFs chief marketing officer, does not think pipeline will completely replace rail. “Over time they are not going to have a pipeline going to every segment of the Bakken... So we believe there is always going to be opportunity to rail as long as there is production in the Bakken.” {Nicole Mordant of Reuters 4.Nov.12}
rail moves would increase Bakken crude to the refineries, “not come at the expense of Global” throughput from its Albany terminal.

Global is barging oil; “we can sell to any refinery from East Linden to Philadelphia,” he said. “We are in continuous discussion with CP and expect to continue to work with them as a long-term partner.” {ANR&P discussion}

Background information on Northeast refineries/terminals north to south

Irving Saint John. Irving constructed a new receiving terminal for crude by rail [see photo 12#09A] which can hold 36 cars. Both MMA and Pan Am move unit trains of about 100 cars each to NBSR for delivery to East Saint John, possibly only seven trains a month max each.⁹

For example, in September Pan Am moved six loaded trains to NBSR for delivery to Saint John. {Railpace 11.12}

New Jersey

ConocoPhillips Bayway Refinery. Standard Oil of New Jersey built this refinery in Linden, New Jersey on New York Harbor, in 1907. ConocoPhillips, the current owner, is now processing up to 238,000 barrels/day of crude. {wikipedia}

Short line Morristown & Erie [parent of MERR] owns Bayshore Terminal Company which switches the terminal (connecting with Conrail). {Merail.com} But it does not now have crude unloading capacity. {editor}

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⁹Assume that the Irving terminal can do a 100-car train in 24 hours, meaning three 36-car strings, switching the terminal three times. Assume an extra day for switching due to congestion in Saint John. [See other article.] Thus at a maximum two days per 100-car train, or 15 trains a month can arrive and unload at Irving. At 70,000 barrels per train, that's 35,000 barrels per day.

To increase its acceptance of Bakken crude, Irving must turn to the sea. Editor

JP Morgan's Crude by Rail study dated 2 November 2012 estimates 'up to 69,000' barrels by rail per day, which would in theory be possible if switching could happen fast enough. However, field reports do not indicate NBSR is running one train a day to Saint John.
Buckeye (former Chevron) Perth Amboy terminal. First opened as a refinery in 1920, its tanks hold 4 million barrels. It was rebuilt to produce only asphalt in 1983.

On 26 July 2012, Buckeye bought the facility for $260 million. In an earnings call on 3 August, Buckeye General Partners CEO Clark Smith said: “This terminal features 4 million barrels of storage, which increases Buckeye's total petroleum product storage capacity by approximately 6% to over 69 million barrels. In addition, Perth Amboy has 4 docks on the Arthur Kill, as well as pipeline, rail and truck access. Chevron will continue to be a key customer at the terminal under multiyear storage and throughput commitments.

“The Perth Amboy terminal provides Buckeye with both security and diversity of product supply. It will directly link our domestic pipeline and terminal network to an owned- and operated marine terminal through a pipeline that we plan to build through our Linden complex. This will provide Buckeye with direct access to domestic and international sourced petroleum products, as well as provide our customers with storage at New York Harbor, a highly liquid NYMEX settlement point.

“We expect to spend approximately $200 million to $225 million of growth capital at Perth Amboy over the next 3 years to modernize the facility, transforming it into a highly efficient multiproduct storage, blending and throughput facility. In particular, we are seeing strong customer interest in storage and throughput solutions at Perth Amboy for heavier crude products, crude oil, fuel oil and asphalt, including the handling of Bakken crude via rail, for which our facility is well-suited....

“As is evident by the strategic value that we believe Perth Amboy will provide, it goes without saying that our investment in the facility was not predicated on short-term views on refinery closures. Our strategy of seeking an owned facility in New York Harbor has always been to integrate with our system and develop it with the flexibility to prosper regardless of what happens in the New York-Northeast refineries.

“We expect New York Harbor will always remain a very desirable place to own a terminal facility, and we plan to play a significant role in that market. It’s also important to remember, PADD I still remains one of the largest product deficits in the world, with demand exceeding supply by almost 3 million barrels per day. And waterborne imports of product should continue to play a vital role in meeting PADD I demand.” {transcript from seekingalpha.com}

Buckeye will also ship other oil in from a hub in the Bahamas to Perth Amboy. {Eliot Caroom in Newark Star-Ledger 8.Aug.12 (underlining added)}

Sunoco Eagle Point terminal, Westville, New Jersey. The rail capabilities at Eagle Point can offload 66 cars per day by utilizing 22 offload positions or a unit train every 2 days. We continue to expand upon the number of positions we can offload each day. [One-half of a train per day = 35,000 barrels a day calculated.]

"In addition, [rail inbound crude can move to barge] capacity outbound and can supply the following refineries:' PES, PBF (Delaware City and Paulsboro), Monroe, and Bayway. {Sunoco Logistics website}

Sunoco bought the refinery in 2004, and closed it in 2009. In 2012, owner Sunoco will demolish the former refinery and put the land up for sale.

PBF Paulsboro. On 27 September 2010, PBF acquired from Valero the operating 180,000 barrels/day refinery in Paulsboro, New Jersey, for $360 million. It has rail access. Mobil built the refinery in 1917; Valero purchased it in 1998. {http://abarrelfull.wikidot.com/paulsboro-refinery}

Delaware

PBF Delaware City. On 20 November 2009 Valero announced it was permanently closing the Delaware City refinery (built by Getty in 1955) because of the weak economy, high local costs, and chronic troubles at the 190,000-barrels/day facility. Though it produces two-thirds of the products refined on the Delmarva peninsula, it has lost $1 million per day since the beginning of 2009, said spokesperson Bill Day. {Jeff Montgomery in Wilmington News Journal 20.Nov.09}

On 9 April 2010, a $2 billion consortium of investment funds bought the plant: PBF Energy Partners
(Petroplus, Blackstone Group, and First Reserve). Thomas O'Malley, Petroplus' chair and a long-time buyer of refining assets, returned to the US market by paying $220 million to Valero. {Steve Goldstein in Marketwatch.com 9.Apr.10}

By 7 October 2011, PBF had returned the refinery to full production. The State of Delaware provided $45 million in aid.

On 24 August 2012, O'Malley announced that the refinery would receive more crude by rail. That month it was receiving 20,000 barrels/day; it would increase offloading capacity to 40,000 barrels/day in September, and 110,000 per day by January 2013.

Delaware City Refinery Manager Herman Seedorf said: “We have been expanding our on-site rail facilities to import advantaged crudes from Western Canada and the Midwest. Delaware City is the only PADD 1 refinery [see map] with sour crude coking capability that can run lower-cost, Western Canadian Heavy crude oil, giving us a competitive edge. We are also keeping our options open by barging Bakken from regional third-party terminals into Delaware City and Paulsboro, backing out more expensive Brent-based crudes.”
PBF CEO Tom Nimbley added that the “new crude fields in the U.S. and Canada are game changers for our East Coast refineries....”[W]e are the sole refiner in PADD 1 with on-site rail discharging capability10.... To ensure consistency of supply, we have committed to lease a significant number of coiled and non-coiled tank cars.

“We believe that certain domestic and Canadian crudes will continue to have takeaway capacity limitations so rail delivery of crude oil into PADD 1 should remain viable for some period of time. Our ability to run such a wide range of crudes makes us an attractive outlet for the growing supply of advantaged feedstocks, so we are establishing an office in Calgary, Alberta to further expand our upstream contacts and sourcing options.” {PBF press release, underlining added}

Pennsylvania

PES Philadelphia Refinery. In 2011 Sunoco offered this 140-year-old refinery up for sale and planned to close it in 2012 if it could not sell it. Private-equity firm The Carlyle Group struck a joint venture with Sunoco to form Philadelphia Energy Solutions (PES), retaining about a third of the new company. PES took over 8 September.

PES, which was importing crude, is now sourcing domestic crude from the Bakken Shale in North Dakota, and the Eagle Ford Shale in Texas, said PES CEO Phil Rinaldi, refining 20,000 to 30,000 barrels of shale oil a day.

Once a new high-speed rail offloader is built, PES will reach 140,000 to 180,000 barrels a day. "It's certainly possible that in the future this also becomes a distribution hub," Rinaldi said. The refinery would also draw on domestic sources like Eagle Ford and other Gulf Coast crudes delivered by Jones Act vessels when arbitrage allows, he said. {Susan Phillips in NPR 21.Sept.12; Platts 19.Sept.12}

Monroe Energy Trainer Refinery. On 30 April 2012 Delta Airlines announced its subsidiary Monroe Energy would purchase the ConocoPhillips refinery in Trainer, Pennsylvania for $180 million. Monroe will make as much jet fuel as it can from up to 185,000 barrels/day of crude the refinery can process, and then trade the other products (mainly gasoline) with BP and ConocoPhillips for jet fuel in other parts of the country.

ConocoPhillips shuttered the plant in 2011 when it failed to find a buyer. Monroe will get $30 million in assistance from Pennsylvania. {Eliot Caroom in Newark Star-Ledger 30.Apr.12}

North Dakota oil could come by train to Trainer, Delta President Ed Bastian said at an analyst conference 6 September. Delta is already in discussions with railroads about getting oil to the Trainer refinery. By some estimates, it can cost as much as $15 per barrel to haul oil from North Dakota to the East Coast. Using Bakken crude could increase the savings Delta already calculates at $300 million {Joshua Freed of AP in Delaware County Daily Times 6.Sept.12}

Sunoco Marcus Hook terminal (was refinery). Sunoco idled its 178,000-barrel-per-day Delaware County refinery in December 2011.11 Sunoco Logistics Partners LP announced they reaped a successful open season for the Mariner East project, a new future for the former Marcus Hook refinery. It will process, store and distribute propane and ethane from the Marcellus Shale in western Pennsylvania through its Mariner East pipeline project as shippers have entered into binding commitments for these materials. {Andrew Maykuth in Philadelphia Inquirer 28.Sept.12}

ALBANY-SAINT JOHN: CORRECTION ON SHIP*

29 October. HOW LARGE A SHIP CAN CALL ALBANY? Rich Hendrick reported Irving would send a 1.5-

10 Barely. PES announced in September it was receiving from Bakken, though not clear if by rail.

11 Over a period of two years Sunoco sold or shuttered each of its five refineries: Toledo, Tulsa, Philadelphia (see above). Marcus Hook Pennsylvania (converted to a distribution hub for the Mariner East pipeline {Kathleen Carey in Delaware County Daily Times 26.Sept.12}), and Westville, New Jersey (Eagle Point, 145,000 barrels/day – Sunoco closed this in 2009 and turned it into a storage terminal, {Reuters 25.Oct.11}). In 2012, Sunoco transformed its business to focus on logistics and transportation fuels and then merged with Energy Transfer Partners, one of the largest natural gas and natural gas distribution companies in the United States. {Sunoco website}
million barrel ship to load crude in Albany [see 12#10A].

He meant gallons, or a 30,000-barrel ship.

For comparison
The Port of Portland has 50-foot drafts for tankers to reach the Portland Pipeline unloading terminals, which can handle two ships of more than million barrels each. {Port and Portland Pipeline websites}

The controlling depth of the Upper Hudson is only 31 feet [see 11#12B], not enough for such a large ship. More likely would be a ship like the MV Sichem Montreal which called Albany on 22 July with a load of molasses from Honduras. It has 13,000 dead-weight tons, draft of 26 feet, and can carry 8500 tons or about 60,000 barrels, almost the equivalent of one crude oil unit train. {Port of Albany website}

Mack Point comparison
Ships calling Bucksport and Mack Point with distillate (refined product, so lighter than crude oil) carry approximately about 325,000 barrels fully loaded, though they usually discharge at another port first and therefore have less. {e-mail from David Gelinas of Penobscot Bay Pilots} Mack Point's liquid pier berth #1 has 37 feet alongside. {Mack Point website}

NEW YORK

NYA: RELIEF VIA RAIL**
6 November, Merrick. EMERGENCY SUPPLIES SHOULD ARRIVE AT BROOKHAVEN RAIL TERMINAL, said Association for a Better Long Island (ABLI) executives and New York State Senator Charles Fuschillo (R-Merrick). Federal and state officials should transport emergency response equipment, material and gasoline by rail to the Brookhaven Rail Terminal.

Fuschillo, who chairs the New York State Senate Committee on Transportation, said: “Before the arrival of Hurricane Sandy the playbook may have said that you bring in all your repair material by truck convoy or airlift. But no one I know is following a playbook anymore, given the enormity of what we are facing and the need for maximum repairs in the shortest possible period of time.”

The terminal could handle construction materials, cable and wire, large equipment, telephone poles, food and fuel without incurring a high energy cost or clogging key roads and highway bridges, said ABLI Executive Director Desmond Ryan. “The railroad bridges are open, the infrastructure is in place to accept these loads and all that is missing is the awareness that there is an alternative to convoys of trucks coming through New Jersey, across New York City and into the hard hit bi-county area.” {Progressive Railroading Daily News 7.Nov.12}

Donations via Amtrak
Amtrak is bringing a baggage car loaded with relief supplies donated in Slidell, La., to New Jersey communities hit hard by Hurricane Sandy. The aptly named “Train of Hope” is on the northbound Crescent that left New Orleans 9 November and was scheduled to arrive in Newark 10 November. {Bill Vantuono in Railway Age 9.Nov.12}

QUEBEC

CSXT: NEW INTERMODAL OFFERING**
5 November, Montreal. THE RAILROAD OPENED ITS TERMINAL HERE FOR ALL CUSTOMERS. In March 2011, CSXT opened its Montreal terminal in Beauharnois for Maersk/Safmarine [see 11#04B]. According to one source, if the service was working, CSXT would eventually open it to all comers.

Bob Sullivan, CSXT spokesperson, said this has now happened: 'The EMT and Philadelphia services to and from Montreal are now available to all international customers.
'The service was originally set up to meet a specific customer need; the service is now well-established and CSX has determined that it can now be offered to other customers.' {e-mails to ANR&P 5 & 6.Nov.12}

Montreal to/from New Jersey+Philadelphia

Elizabeth Marine Terminal to Montreal. (effective November 5th) Sunday - Friday: 1630 Gate Cut-off; 0900 - Day 3 Availability (fastest schedule, varies by day of week) [was all days but Thursdays, was 0800 Day 3]

Montreal to EMT. Monday - Saturday: 1600 Gate Cut-off, available 1100 - Day 3 (fastest schedule, varies by day of week) [availability hour now stated]

Montreal to Philadelphia. Monday - Friday: 1600 Gate Cut-off, 0800 - Day 6 Availability (fastest schedule, varies by day of week)

Philadelphia to Montreal. Monday, Thursday, Friday: 1900 Gate Cut-off; 0800 - Day 5 Availability (fastest schedule, varies by day of week)

Montreal to Chicago 59th Street. Monday - Saturday: 1600 Gate Cut-off, 1000 - Day 5 Availability (fastest schedule, varies by day of week) {Customer Bulletin}

CONNECTICUT

PW & NECR: WASTE MOVES*

6 November, Willimantic. **WILLIMANTIC WASTE PAPER IS EXPLORING USING PW AS WELL AS NECR.** Tim Devivo, a principal, explained that PW can serve a facility he purchased seven years ago in Plainfield.

Both NECR and PW “are good railroads, and good to work with.” He is considering the PW location in Plainfield because “competition is always good.

“I'm not doing a lot of rail now. Rail has become expensive,” not just NECR, “but other railroads too.” In fact, “trucking has always been less expensive; rail has gone higher.”

He has four facilities, three on rail [see box]. {ANR&P discussion}

**Willimantic facility**

‘P&W expects to service 185 Recycling Way (“185”) next year after reconnecting “directly” (also next year), after P&W completes construction of a crossover. 185 also has some outstanding work to complete to allow efficient service. Presently, P&W could service 185 via Willimantic Yard.’ {e-mail to ANR&P from PW spokesperson Marie Angelini 7.Nov.12} More on the track arrangement in

**WILLIMANTIC WASTE FACILITIES**

**Willimantic Recycling & Scrap Metals** (NECR - spur)

Receives scrap metals of all types and grades, corrugated cardboard, newspaper, mixed papers, high grades, commingled containers and source-separated recyclables of all kinds.

185 Recycling Way

**Willimantic Waste Reduction & Processing** (NECR - spur)

Receives a full range of remodeling, construction and demolition, and bulky waste as well as municipal solid wastes.

1590 West Main Street

**Plainfield Transfer Station** (PW - spur)

Transfer station for residents of the Town of Plainfield who possess a numbered permit sticker.

54 Roode Road

**Hauling District for Willimantic Waste Paper** (PW but no spur)

133 Packer Road, Canterbury

**Killingly Recycling Center and Transfer Station** (No rail)

246 Brick House Road, Danielson

{Willimantic Waste website}
The Plainfield facility history
Paul Sweet, Plainfield first selectman, explained that Willimantic Waste purchased the former Agway facility here [Agway has a facility on Norwich Road now] which had a rail spur. His predecessor was unable to reach agreement with Willimantic for waste disposal; Sweet did. “We got a grand slam deal, and we renewed it last year.” {ANR&P discussion 6.Nov.12}

PW & NECR: STONE MOVE**
October, New London. COPAR CONTINUED TO MOVE CRUSHED STONE via rail to New York [see 12#08B].

The move
Copar's quarry in Westerly lies off Church Street, not on rail, so Copar must transload. Reportedly the cost of installing a switch on Amtrak's NEC exceeds half a million dollars; consequently Copar looked for a location not on the NEC and decided on New London.12

12New London lies 28 miles, 40 minutes with traffic {Bing}, whereas an existing spur (at least as shown on Bing) lies only a mile away. Why not Groton, already on NECR? Perhaps because no good transload point exists there. Or perhaps because no capital investment is
The company first approached Logistec, which already does some bulk work in New London, but then decided to do the transload themselves. {ANR&P discussion with Frank Vannelli of Logistec 30.Aug.12}

It is currently using a spur off NECR [see photo].

Frank Rogers, PW marketing chief, said the norm is to take loads over New London and to cycle empties back either over Willimantic or through New London, depending upon available windows on the NEC.

PW moves the loads into New York. {e-mail to ANR&P} Copar is willing to provide much more information on the move at some point in the near future, an official said on 7 November. {ANR&P discussion}

The quarries
Copar Industries, LLC (CoparQuarries) is a Connecticut-based business whose manufacturing plants are located in the Bradford section of Westerly, Rhode Island, and in Lisbon, Connecticut (Copar Quarries of Lisbon LLC). We are an aggregate processing company that supplies material for jobs throughout Connecticut, Rhode Island, Massachusetts, and New York....The new facility [in Lisbon] will not only allow us to accommodate the increasing demand for our products in Connecticut and Long Island, but will also allow us to reach out further to our growing market throughout New York.’ {Copar website}

Reportedly Copar will also transload in Lisbon.

Neighbors' complaints; hearings
Neighbors in Bradford and several Westerly town councillors are concerned about the dust and noise the quarry is giving off.

The Westerly Zoning Board of Appeal and the Rhode Island Washington County Superior Court are both holding hearings, which on 7 November were postponed to December. {Dale Faulker in Westerly Sun 8.Nov.12}

Copar to the rescue
NECR suffered some damage to its line along the Thames River from Hurricane Sandy’s storm surge. The situation was put right faster than might otherwise have been the case as NECR was able to secure rip rap stone very quickly from a new supplier local to the area, Copar Quarries. {e-mail to ANR&P from NECR's Doug Low 6.Nov.12}

**MAINE**

**PAN AM: NO DIRECT RAIL**

25 October, Lincoln. **LINCOLN PAPER AND TISSUE CONTINUES TO USE ONLY INTERMODAL** , said President Keith Scotte. The company ships its products “all over the country” and to Canada and the Middle East. “We have shipped product to Australia, New Zealand in the past” and occasionally to Great Britain. All product moves by truck, often to destinations in the Upper Midwest. Middle South and Far West. “Rail from the mill is not cost-effective, and it’s not service-effective. We’ve actually done some trials” to ship specific products by rail “to the Midwest,” but those trials were not successful.” [No change from a year ago, or five years ago. See 11#12B.]

Lincoln does use rail via TOFC to Massachusetts terminals. [Might the rumored Waterville terminal in Waterville help this? See 12#09B.]

**Mill operation**
Lincoln Paper & Tissue operates two fourdrinier paper machines, Nos. 4 and 5; three tissue machines, Nos. 6, 7, and 8 (the newest); and a pulp dryer. The company produces 200-220 tons per day of paper and “around 205 tons a day” of tissue paper. The paper and tissue machines manufacture large parent rolls sold to companies that produce various paper products and, with the tissue, “make kitchen towels or bath tissue or napkins,” Van

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required in New London, while all other points require some investment and thus a long-term company commitment. {editor}
Scotter said. Some tissue products feature deep-dyed colors; many tissue products are multiple-ply.

The Lincoln-made paper becomes primarily cards and some printing papers. “Our customers … do all the embossing and all the cutting and make all the individual packages for sale,” Van Scotter said. {Brian Swartz in Bangor Daily News 25.Oct.12}

**PAN AM: BRUNSWICK BRANCH***

1 November, Freeport. **THE INAUGURAL DOWNEASTER CELEBRATED THE RETURN OF PASSENGER RAIL TO BRUNSWICK.** A train carrying key figures in the effort stopped for celebrations at both Freeport and Brunswick, with regular service of three round-trips beginning on 2 November.

Mike Murray, who ran MDOT's rail division until he retired in 2002 after the *Downeaster* reached Portland, was aboard. He let on that he is doing well in retirement; the organizers did well to invite him.

Kit Morgan, who ran NHDOT's rail until he retired this year, reported after disembarking that he has not yet chosen his next career. He's still enjoying the time. {*ANR&P coverage and interviews*}

Pan Am stone contract
Pan Am President David Fink voiced pride in his workers, saying “They finished at two AM.” {Maine Public Radio 1.Nov.12}

Cyndy Scarano, Pan Am executive vice-president, said earlier: '[T]he stone for the Brunswick project came from [Pan Am's quarry in] Embden Maine. The stone went out to bid [by the state] and we were able to acquire the bid which was not only an economic savings for the project but it also established more business for the state of Maine.

'The means of transporting the stone is a business decision that varies for numerous reasons. At times the rail cars are being better utilized in other areas, the line is occupied with other business, train crews are unavailable, track department is running ahead of schedule etc. When the stone is needed and available we look at our options at that time and make our decision regarding transport in the most efficient manner for the circumstances at such time.' {e-mail to *ANR&P* 16.Oct.12}

According to other reports, the stone has sometimes moved by truck to Waterville, thence by rail to Portland and back up for distribution via hoppers to the railbed on the branch. {e-mail to *ANR&P*}

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13 Embden was once on rail. The stone now moves by truck, and in the past was transloaded in North Anson at Cousineau's. [See 11#04B.]
MASSACHUSETTS

CSXT: INTERMODAL UPDATE*
New England Terminal Presence: CSXT will begin phasing out intermodal operations and service from the Boston, MA, terminal facility in January 2013 [was late 2012 – see 12#10A]. International service to and from the New England market will continue to be provided at the Stackbridge, MA, terminal. Additional details on the timing and any modified service offerings for the New England market will be provided in the December Intermodal Service Announcement. {CSXT Customer Bulletin}

CSXT: NORTH BROOKFIELD*
1 November, West Brookfield. THE PROPOSED NEW RAILROAD IS NOT DEAD, said Dan Bigda. “Check back in two weeks for news.” {ANR&P discussion}

Bigda proposes to revive the long-dormant spur off CSXT running into North Brookfield [see 12#02B] as the 'North Brookfield Railroad.'

NEW HAMPSHIRE

MBRX: UPDATES

MBRX v Pan Am
The First Circuit on 1 November denied the railroad's request for a rehearing. More in a future issue.

Leishman re-election

Other
No word on NHDOT's decision on awarding the operating license for the state-owned portion of the Hillsboro Branch, nor on renewing the trackage rights agreement between Pan Am and MBRX.

Leishman said he intends to operate on Granite State Concrete's behalf to nearly 16 November. {ANR&P discussion 12.Nov.12}

PAN AM: COAL MOVES**
6 November, Bow. MERRIMACK STATION OF PSNH HAS NOT OPERATED SINCE AUGUST. However, workers have made room for coal, so that the PW-Pan Am combination railed the 50,000 tons of coal stored at ProvPort to Bow, thus saving storage fees. The plant will most probably resume operation this winter.

Gypsum
When the plant was operating over the summer, its pollution control equipment was producing synthetic gypsum [see 12#04A]. PSNH has managed to sell this, and trucks were taking it to the Georgia-Pacific wallboard plant in Newington, according to one source close to the moves. {ANR&P discussion}

Martin Murray, PSNH spokesperson, declined to comment. {e-mail to ANR&P 6.Nov.12}

MARITIMES

NBSR: SWITCHING**
19 October, Saint John. TRAFFIC IS CLOGGING THE RAILS HERE. The engineer of a recent train reported that he had to wait here with his unit train of empty tankers for loads off the CN train from Moncton. A
set of transfer locomotives, with much of the transfer train made up, was waiting two hours in East Saint John for the CN loads because Island Yard (the major CN yard in East Saint John) was full.

Meanwhile, the NBSR yard at Dever Road was also full with no room to put anything. {e-mail from rail observer Byron Thomas}

**NBSR improvements**

Ian Simpson, NBSR general manager, said on 6 November, “We built a lot of track this summer....We've gone through a lot of growth.” He called reports of congestion “old news.” {e-mail to ANR&P from CBC reporter Rachel Cave}

**CANSO: FINANCING IN PLACE**

2 November. **MAHER MELFORD TERMINAL INC. WILL PURCHASE 750 ACRES FROM NOVA SCOTIA DEPARTMENT OF NATURAL RESOURCES** after providing proof of financing to government for its $350 million container project [see 12#05B].

Spokesperson Richie Mann said buying the land is “a big step. I know there has been lot of speculation and skepticism over the past but we’ve actually got money to finance this project. So the money is there and it is now a matter of kicking a couple other boxes and getting started.”

...“We have basically been doing our own marketing. We have our partnership with Maher and have had other partnerships and consultants over the years. But basically we have kept the core group small and nimble and have engaged consultants as required for specific projects and issues and will continue to do that. We have met and marketed to industry associations, etc. and they have been impressed and have assisted us in spreading the word. But I don’t think anyone can sell your story as well as you can sell it yourself.”

**Investors**

Mann said the project has two major investors. “We have identified our lead party as Cyrus Capital Partners [see 10#07A] and we have also indicated there is a large Canadian infrastructure fund involved.”

**Carrier still sought**

“We have the financing identified to build the terminal, the first phase of the logistics park, and the rail corridor,” said Mann. Financing does not hinge on whether or not Maher Melford signs a major carrier but “that is a self-imposed condition. We are not going to do the construction until we have a cargo commitment.”

{discussions with ANR&P’s correspondent Tom Peters 2.Nov.12}

**Start construction February 2013 or lose the land**

Cindy Roberts, spokesperson for government agency Nova Scotia Business Inc., wrote: 'The sale of the land to MITI [Melford International Terminal Inc] is subject to an option which would allow the province to re-acquire the land if certain milestones and conditions are not met. The option is triggered at the sole discretion of the province. The milestone dates are Feb. 23, 2013 (commence construction) and Dec. 31, 2014 (commence operations).'

She said the land is being sold at fair market value as determined by an independent appraisal which is underway. Maher Melford also has an option to buy an additional 1,250 acres of Crown land adjacent to the logistics park. {Roberts e-mail to Peters 5.Nov.12}

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**RAIL FREIGHT FACILITIES**

Described in this issue.

Brookhaven Rail Terminal (NYA, New York) Supplies?

Buckeye (CSXT, New York – see Regional) Future?


CSXT intermodal (CSXT Quebec) Open to all.
Global (D&H, New York – see Regional) Future?
Lincoln Paper & Tissue (Pan Am, Maine) Still only intermodal.
Motiva (PW, Rhode Island – see Regional) Ethanol diverted from New York.
PSNH (Pan Am, New Hampshire) Coal.
Willimantic Waste (NECR & PW, Connecticut) Possible rail.

PEOPLE, EVENTS

Paul Carrigan has succeeded Don Rowe, who retired, as general manager of Sydney Ports Corporation, Carrigan formerly managed the Mayflower Mall in Sydney, he will be to manage the Sydney Marine Terminal, which includes the Joan Harriss Cruise Pavilion.

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Coverage
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

Frequency and the e-bulletin
ANR&P appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue’s updated stories (those without an asterisk).

Two asterisks indicate the story is updated with the blue font showing what is updated.

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Purpose
Atlantic Northeast Rails & Ports, née Maine RailWatch (1994-1997) and later Atlantic RailWatch (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’

FORMAL E-ISSUE