**ATLANTIC NORTHEAST**

**RAILS & PORTS**

operating railroads & ports, intermodal facilities, and government environment

[Image 35x654 to 580x665]

Formal issue 12#11A 21 November 2012

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

**REGIONAL**

Logistec: 3Q12 shows increased revenue in the marine segment.*

**NEW YORK**

Long Island Rail Suppliers; An alliance.

*New London: The state renewed the three leases on the State Pier facility for three years.*

**MASSACHUSETTS**

NBSR-MMA: track cutoff coming.

Pan Am: new customer.

Pan Am: Customer closing?

SLR: Near-rail sites in Auburn.

**RHODE ISLAND**

MBRX: More on loss on appeal.*

**VERMONT**

No report.]

**MARITIMES**

[No report. See Albany.]

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Don Marson

**EDITORIAL**

**FROM THE PUBLISHER**

Quiet after the storm

Pre-Thanksgiving here in the United States, events have slowed.

I'm still looking for an update from Dan Bigda on North Brookfield, from Copar about their stone move (promised to me), from Port of New Haven and Gateway about rail to Waterfront Street (promised), from Governor Dannel Malloy about the Connecticut Port study (promised), and the Willimantic track arrangement (also promised).

I'm sure it's only a coincidence that five of the six promises stories stem from Connecticut.

Stories in the neonatal clinic: Port of Lyons New York, Oswego, and the RFP for the Rumford branch in Auburn.

- Chop Hardenbergh

Next formal issue 10 Dec

**REGIONAL**

**PW: 3Q12**

14 November, Worcester. **CONTAINER NUMBERS CONTINUED TO INCREASE, AND CONVENTIONAL FREIGHT DROPPED AGAIN**, PW said in its report on 3Q12.

**Overall result**

PW stated a net quarterly loss of $381,000 against a net profit of $1.6 million a year ago. Much of the profit in 2011 came from 'other' income. However, 3Q11 showed operating income of $679,000 which dropped to a loss of $295,000 in 3Q12.

Operating ratio shot up to 105.9% versus 92.8% in 3Q11.

**Revenues down**

Operating revenues decreased $537,000, or 6.5%, to $7.8 million in the third quarter of 2012 from $8.3 million in the third quarter of 2011. The decrease is the result of a $1.1 million (14%) decrease in conventional freight revenues, offset by a $120,000 (67%) increase in container freight revenues, a $33,000 (21.7%) increase in other freight related revenue, and a $405,000 (203.5%) increase in other operating revenues.

**Conventional freight**

The decrease in conventional freight revenues results from an 18.7% decrease in conventional traffic volume, offset by a 6.7% increase in the average revenue received per conventional carloading. Conventional carloads decreased by 1,859 to 8,090 in the third quarter of 2012 from 9,949 [8,605 in 2Q12] in the third quarter of 2011.

The number of shipments of most commodities handled by the Company was substantially constant except for decreases in ethanol shipments during the first nine months of 2012. The increase in the average revenue received per conventional carloading is due to a shift in the mix of commodities, as well as some rate changes.

**Intermodal**

The increase in container freight revenues for the quarter is the result of a 58.2% increase in traffic volume and a 6.7% increase in the average revenue received per container. Container traffic volume increased by 1,508 to 4,100 [4,234 in 2Q12] in the third quarter of 2012 from 2,592 in the third quarter of 2011. Reasons for the increases in traffic volume and in the average revenue received per container during the third quarter are as previously discussed [see 12#03A – shift of New York traffic out of Beacon Park].

**Other Income**

Other income decreased by $1.1 million to $198 thousand in the third quarter of 2012 from $1.3 million in the third quarter 2011.

**Operating Expenses**

Operating expenses for the three-month period ended September 30, 2012 were $8.2 million. The Amtrak Agreement offset $173 thousand of track usage fees.

Exclusive of the Amtrak Agreement, operating expense increased by $698 thousand, or 9%, from $7,719 million in 2011. The increase was caused primarily by higher casualties and insurance costs ($162 thousand), increased repairs and maintenance ($269 thousand) and a decrease in amounts recovered for maintenance of way projects ($710 thousand), offset, in part, by lower diesel fuel prices and usage ($136 thousand), less usage of outside services ($270 thousand) and track and signal material ($254 thousand).

As noted above, the Company’s track usage fees were reduced by $173 thousand as a result of the
utilization of a portion of the available mileage credit received under the Amtrak Agreement. The Company has $2.251 million of credit remaining to offset future mileage charges for use of Amtrak’s Northeast Corridor.

Easement funds
The agreement in principle announced in the 2Q12 report [see 12#09A] was completed in November 2012. The Company has reached agreement with an unrelated person (the “Grantee”) to convey to the Grantee a permanent easement along a portion of its right of way in exchange for a payment by the Grantee of $2,625. The Company received proceeds, less related fees, in the amount of $2,605 in November 2012.’ {PW 10-Q filed with SEC}

LOGISTEC: 3Q RESULTS*
12 November, Montreal. CONSOLIDATED REVENUE ROSE AGAIN, WITH MARINE SERVICES RISING this quarter whereas they did not in 2Q12 [see 12#08A and Connecticut Ports article on decline there]. However, most of the increase was due to environmental services.

During the third quarter of 2012, consolidated revenue reached a record high for the Company, totalling $78.5 million, an increase of $11.3 million or 16.8% over the equivalent period of the previous year. The marine services segment's revenue grew by $2.8 million to $35.8 million, whereas the environmental services segment's revenue rose to $42.6 million, an increase of $8.4 million or 24.5% due essentially to the Aqua-Pipe(R) related business. {company press release}

NEW YORK

LONG ISLAND RAIL SUPPLIERS
19 November, Bethpage. AN ALLIANCE OF RAIL SUPPLIERS RECEIVED MORE FUNDING FOR A PILOT PROGRAM from the US Small Business Administration, to form teams of suppliers. The Long Island Forum for Technology (LIFT) has formed the Long Island Rail Suppliers Alliance using a 2011 grant; the second year $454,545 grant covers October 2012 to September 2013.

The alliance goal can be helped by “a more robust supply chain web site and searchable supply chain database, consulting services, market research and various meetings and events to promote teaming introduction and opportunities," said Rail Suppliers Alliance Chair Ken Bauer, a former MTA Long Island Rail Road president.

The Alliance plans a trade show in spring 2013 at which small businesses will be able to showcase their products to prime manufacturers and government agencies. Smaller, more focused meetings also will be held throughout the contract year, said Bauer. {LIFT press release}

The Alliance has broader aims, though, its leaders emphasized in discussion this day.

LIFT
LIFT Executive Director Bill Wahlig said his program overall aimed to identify growth markets and create structures to take advantage of those markets. The LIFT website states: 'LIFT supports the defense and aerospace, medical device and healthcare, homeland security, energy, information technology and manufacturing clusters of the Long Island economy. We partner with local companies, organizations, universities and the national laboratory systems.'

---

1The website supplies the mission of LIFT: ‘To add value to our members by increasing profitability and creating economic growth on Long Island.

2LIFT is a non-for-profit economic development organization working with the New York State Foundation for Science, Technology and Innovation (NYSTAR®) and the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP). LIFT serves as NYSTAR’s designated Regional Technology Development Center for Long Island and one of nearly 350 MEP locations across the country.

3LIFT has an industry-driven initiative structure, providing Long Island businesses with networking opportunities, access to enabling technologies, hands-on assistance and a wide range of programs directed at creating an environment for innovation, lowering the cost of
LIFT is leveraging funding and mission objectives of not-for-profit, other federal, and state agencies. The Small Business Development Centers are aligned with us, said Wahlig. “We promote their services; they have provided names for us” to assist.

**Rail Alliance tasks**

About the Alliance, one of the LIFT programs, Wahlig noted: “Currently, we have over 80 suppliers and 16 partners established in the Long Island Rail Suppliers Alliance. We expect the number of small business engaged in the alliance to exceed 250 as LIFT expands the program.”

Bauer explained the Alliance spent “the better part of last year” identifying companies who could participate. It also established relations with the 'partners,' agencies both state and federal.

The Alliance would like to:

- For the partners, identify suppliers, and act as an interface between the partners and suppliers, who can serve their needs for women-owned, minority-owned, and small businesses (WMSB). Bauer explained that transit agencies (MTA, New Jersey Transit, Amtrak) have quotas for WMSB from zero to 20%.

  Moreover, federal procurement guidelines have recently increased American content requirements, and asserted the federal government will reduce the number of waivers of those requirements it grants.

- For prime contractors, help them with WMSB needs. Bauer noted that in recent years, “Large transit agencies have gone to design-build contracts with large prime contractors. It’s up to that company to fill the supply chain. We want the primes to look to New York to fill their supply chain needs.”

- Help local suppliers form teams to bid on agency contracts. Diane Muscarella, research & marketing manager operations and increasing growth, focused on creating Long Island’s future.'
for LIFT, explained that Long Island has many manufacturing clusters for its 3,000 manufacturers with five or more employees. Few, if any, focus on rail projects as a target market.

The Alliance's novel approach gathers a group of manufacturers, a 'team', which can together respond to a solicitation. Many solicitations do not seek traditional rail materials (rails, or ties, or signals), but rather more general items such as backhoes, or brooms, or cleaning equipment, or landscaping.

Many small Long Island manufacturers have been unaware of these bidding opportunities. “We can act as advocates, we can show the teams how to talk to the big guys to get into supply chain.” She emphasized that the Small Business Administration funding in large part is aimed at proving the concept of joining together small businesses and training them in bidding for government contracts.

Eventually LIFT would like the Alliance to become, through membership fees, self-sustaining.

The SBA funding
In the first year, the grant enabled the Alliance to develop a web site, database and program meetings, establish partners and stakeholders, and conduct training programs for participating small businesses. In addition, two teams were created to compete for rail contracts, said Wahlig in a prepared statement on 8 October.

Examples; a team
In the last quarter of the first year, the Alliance helped three small companies put together a bid for a closed circuit tv system.

It also put a small manufacturer of LED lighting into a pilot-test for railcars within the New York City transit system. “This is not yet a success,” said Muscarella.

Bauer noted that at the outset, the Alliance is functioning on legwork and personal contacts. “At the end of this year the effort should be less driven by individual relationships. The database and website should drive the process.”

Participants from outside New York welcome
Bauer and Wahlig are targeting the New York area agencies and transit programs. “They have large capital programs and opportunities, a ton of opportunities.”

Suppliers outside of New York may participate in the Alliance, they emphasized. “If a contractor in, for example, Massachusetts wants to use our offering, that's fine. We'll find a way to do it. We want the pilot to roll out nationwide, eventually.” {ANR&P discussion 19.Nov.12}

ALBANY: IRVING CRUDE*
14 November. **CRUDE VIA THE BUCKEYE TERMINAL IS BARGED TO NEW YORK HARBOR** and transferred to a ship there. Rich Hendrick, general manager of the Albany Port District Commission, said ships would not sail up to Albany until 15 December; until then, Irving will utilize the ship transfer to move the crude to Saint John. [Earlier, ships were to reach Albany on 15 November. See 12#10A.] {e-mail to ANR&P correspondent Laurel Rafferty}

CONNECTICUT

**CONNECTICUT PORTS: DETAILS FROM STUDY***

A study on the viability of Connecticut ports by consultants Moffatt & Nichol was released in early October [see 12#10A]. The article below extracts highlights of the study (the entire study is available online).

**New London**
The study recommended revising the solicitation for an operator for the State Pier [see other article and 12#10A for more detail].
Dealing with the reality of cargo decline
As the graph illustrates, export volumes have grown modestly, while import volumes have declined by nearly 80% since 2006. Much of this decline is due to the phasing out of coal and elimination of fresh fruit imports into Bridgeport, as well as the loss of imports due to the real estate market collapse and the corresponding loss of demand for lumber, steel and other building materials that would have passed through Connecticut ports.

No chance for a major port; go for niche
Successful container ports share at least four key characteristics:

- Ready access to major metropolitan consumer markets—largely served by trucks and local warehousing.
- Adequate waterside and landside capacity to accommodate ever-larger ships (e.g. dredging, berthing and cranes), longer trains (e.g. on-dock and near-dock rail facilities) and larger volumes of heavier trucks (e.g. dedicated truck ramps and sophisticated gate and security control systems).
- Adequate financial resources to build, maintain, and constantly enhance waterside, landside and offsite transportation capacity. Ports and related supply chains that are unable to consistently fund capacity expansions are likely to lose market share, profitability, and even portions of their “local” market.
- Adequate institutional capacity to provide a stable and adaptable investment climate for both public and private investors.

Unfortunately, the Connecticut deep water ports do not share any of these basic characteristics of success, whether for the import or export of either containers or bulk cargoes. However, the State can identify local and niche cargo markets appropriate to one or more of its deep water ports. The State can provide adequate financial resources to reach or expand those markets. And the State can provide the institutional capacity that will result in a stable and adaptable investment climate, for both public and private investors.

Containers
The state of Connecticut should not commit further resources to develop a large-scale container terminal. However, the study did recommend looking at container on barge feeder service.

Concentrate on New Haven
The Port of New Haven should be a central focus of State investments and actions to arrest the decline of the port and its related industries in Connecticut....[O]f the three deep water ports, New Haven serves the strongest consumer market, has the most varied cargo mix, and is the only port that has attracted significant private investment [see 12#07A].

Fuel flowthrough in New Haven
The Northeast maintains a large refinery production/demand deficit and must rely heavily on imported volumes of refined products in order to meet demand. The flow of petroleum products through the ports is critical to Connecticut’s economy and its energy future.

New Haven handled the fifth-largest volume of domestic trade of gasoline and other distillates in 2010. This high ranking underscores the strong demand volume being served by these facilities. New Haven is the origin of the Buckeye Pipeline, which connects directly into Hartford and Springfield and also supplies aviation fuel to Bradley International Airport. Additionally, New Haven and New London host two of the three National Strategic Heating Oil Reserve sites. {page 4}

**Increase dry bulk and breakbulk**

Salt, sand, and cement imports are the dominant bulk cargoes at New Haven and New London – virtually all volumes are for immediate local use. These aggregates are in highly captive markets and are unlikely to grow or shrink substantially. Ferrous metal imports and exports, wood pellet exports, copper imports and lumber imports are discretionary (“footloose”) cargoes that operate within highly competitive markets. {page 6}

The current operator [Logistec] has slightly increased salt, steel, and specialized cargoes from their low point in 2009. However, despite consolidating New Haven and New London operations to New London under the current operator, total tonnage at the State Pier is approximately one-third of its 2004 levels. {page 9}

Market needs should drive any further public investment, so nothing should be done now. {page 6}

**Rail for New Haven and New London**

For New Haven, the study recommended up to $11 million for increased rail access to New Haven, which will consist of rail spurs to terminals and related Waterfront Street improvements; and up to $14 million for North Yard expansion in New Haven on land identified in the New Haven Port Authority (NHPA) Strategic Land Use Plan.

For New London, up to $40 million was recommended to improve both the State Pier and the CV pier, including an NECR spur onto the CV pier. {page 52}

**Scrap metal: barge feeder?**

Scrap metal is Connecticut’s largest single export commodity by weight. The market for scrap metal is highly competitive with relatively few large producers (shredders) accounting for the majority of production volume/sales. An estimated 900,000 tons scrap metal are produced annually within the State.

Approximately half of the state's scrap moves outbound via New Haven to destinations in China, Turkey, Egypt, and Saudi Arabia. The other half is moved out of state, largely by truck, to New Jersey, Rhode Island, and Philadelphia ports. {page 6}

**Existing scrap operations.** The study listed three large scrap metal operations:

- Sims Metal Management in New Haven and North Haven.\(^2\) The auto shredder output of the New Haven yard is shipped via Gateway Terminal in bulk.

  Sims has not indicated if its new Providence facility [see 12#06A] will have any impact on its North Haven operations. The North Haven site, with its access to the Port of New Haven, and its centralized location in the Connecticut scrap market, should continue to be a valuable site for processing scrap, regardless of ownership.

\(^2\) See map of North Haven location, served by CSX, in 02#03B. In 2008, Anastasio reported that Sims sometimes uses its team track. See 08#01B.
- LaJoies in Norwalk (auto shredder).

The state also contains numerous smaller facilities located throughout the northern and interior counties of the state which typically sell their material to the larger shredding operations or truck directly to the ports for export. There is some indication that containers are being stuffed at regional scrap yards and exported, through brokers, despite the regional control that a firm like Sims has.

Statewide brokerage and container on barge? In order to capture a greater share of the volume of scrap from Connecticut “leaking” to other ports, the state might support a statewide brokering system. Such a system would consolidate the smaller scrap dealers in the State in such a way that they could take advantage of economies of scale e.g. container on barge. {page 33}

Moffatt & Nichol estimated that converting truck movements of scrap and other commodities into heavy-weight container movements to New Haven could produce public benefits of close to $400,000 per year in safety ($5000), pollution ($88,000), congestion ($162,000), and highway damage ($122,000) benefits. {page 62}

The state might put up public-benefit grants totalling $400,000 per year to realize the benefits of container on barge. {page 7}

The Commissioner of Economic and Community Development and the Commissioner of Transportation should work with the Port of New Haven to identify sources, consolidators and processors of scrap metal for potential scrap metal export by barge feeder service, or potentially through a direct call niche container service, most likely through the Port of New Haven. The Commissioners should consider a more detailed feasibility study for scrap steel exports, including consideration of ongoing tolling and freight emission studies. To the degree that funding can help overcome these barriers, the Commissioners should consider grants-in-aid, including performance-based grants for public benefits, to incent a mode-shift from truck to barge for scrap steel exports. {page 72}

Wood pellets via NECR through New London
Wood pellets are moved by rail and are often exported in empty containers in order to control moisture content.
While ports in Maine have an advantage in this export market, the New England Central Railroad (NECR) provides direct access to Canadian and northern New England forestry production centers and has on-dock rail at the State Pier. Specialized handling equipment and improvements can be installed for $2-12 million. However, any such investment should be part of a larger contract or concession to manage and market the State Pier in collaboration with the NECR. {page 7}

**Compete for break bulk lumber, copper and steel imports**

New London and New Haven could increase lumber and/or copper imports if housing construction rebounds in the Northeast. Both ports can also compete for various steel imports, including plate steel, coiled steel and “winter steel” (i.e. bound for the Midwest but unable to access the frozen St. Lawrence Seaway during winter months).

Rail connections could help to attract these break bulk products. Operators at the State Pier facility [Logistec and predecessors] have not coordinated marketing efforts with the NECR. Limited rail access to New Haven terminals has limited joint marketing efforts between the New Haven terminals and the Providence and Worcester Railroad.

Since New Haven and New London compete for these same commodities, the State should not provide incentives for these break bulk imports if those incentives unduly provide an advantage to one port over the other. {page 7}

**Move fish processing away from New Bedford**

According to a business owner who was interviewed for this study, one potential fresh food anchor is the scallop and shellfish fleet based in, or possibly relocating to, New London. The fresh shellfish catch, which comes over the pier in New London, is currently transported to New Bedford for processing and distribution.

The Thames River Seafood Cooperative would actively support future landside investments in ice and refrigeration equipment and welcome an increase in the scallop and shellfish fleets with New London as their home port. They envisage the development of an industrial condominium to support this increased fishing fleet with its own processing and distribution capabilities.

While beyond the scope of this study, fresh food imports, including scallop and other shellfish fisheries, deserve further consideration and study by the State.

Proposed: No capital investments, but a state-sponsored business case analysis to evaluate the viability of fresh food importation, processing, and distribution, including shellfish. {page 8}

**End a focus on infrastructure**

Connecticut should consider creation of a statewide grant-in-aid program that will require long term State strategic and financial commitment to the deep water ports and their associated industries. The goal and performance metrics of any such program should not be the condition or quality of the port infrastructure, but

---

3 Unclear about how the catch is transported, and why it is transported. *Editor*
rather the added economic and employment value brought to the deep water ports and their associated industries.

Put another way, “build it and they will come” is a recipe for continued decline of the Connecticut deep water ports and their related industries. {page 83}

Determining stakeholders and assigning benefits for freight investments is difficult but essential. It is possible to quantify and in effect “buy” public benefits (e.g. $34 in public benefits for every scrap steel truckload removed from I-95 and moved by barge). {page 84}

**Next steps: state funding of New Haven dredging**

With one exception, none of these initiatives should receive immediate state funding. Instead, the State should take the time to develop a long-term strategy and a transparent and accountable grant-in-aid program to support that strategy, as described in more detail below.

The only exception: New Haven dredging. If the USACE or Congress cannot make a firm commitment to the New Haven maintenance dredging by 2014, the State of Connecticut should step forward and fund the maintenance dredging itself.

Connecticut should not be assuming a clear federal responsibility, but the risks of a multi-year delay in New Haven maintenance dredging would have profound effects on critical energy supplies and already-high energy costs.

On a parallel track, the State of Connecticut should make legislative inquiries regarding possible reimbursement from the USACE if the State were to assume the cost of maintenance dredging at New Haven. The Federal Transit Administration makes these types of reimbursement allowances through a “letter of no prejudice” to states and localities willing to undertake a federal funding responsibility using state or local financial resources. {page 87}

**Questions for governor**

The study raises some questions your editor submitted to Governor Dannel Malloy, before Hurricane Sandy struck. Connecticut was hit hard, therefore I still await a response.

- Basically, the study says, "Do nothing until you have a long-term strategy, except dredge New Haven." Why didn't Moffatt & Nichol develop a long-term strategy?

- Why spend state money in New Haven? Moffatt & Nichol did not spell out the problems there. The study's 'strengths' table says "good rail connections." {page 39} Why is improvement needed? What will the $11 million do? Page 46 says $10 million for spurs to terminals. As of this summer, the state had sufficient funds to pay for the reconstruction of Water Street, and the terminals would pay for the spurs. [See 12#07A.]

- The study asks the state to look at taking trucks hauling scrap off the road. Why doesn't DECD find out with a few phone calls whether the scrap dealers could see their way to a short-sea solution? If so, would that be a "business case"? Would the governor then request $400,000 per year to subsidize containers on barge?

**NEW LONDON**

13 November. *LOGISTEC AND THE STATE RECENTLY RENEWED ITS LEASE OF THE STATE PIER FACILITY* for three years. Chuck Beck, ConnDOT transportation maritime manager, reported the date as 12 October. The other two leases are not yet officially renewed but the parties intend to do so: Thames River Seafood Coop leases the western half of the CV Pier [see photo in other article] and New England Shipping leases an office in the administration building [see 11#11A]. New expiration date: 31 January 2016.

---

4 In my opinion, the strategy emerges naturally from the study and looks like this: (1) Forget Bridgeport for freight. (2) Ensure the petroleum traffic capability stays intact in all three ports. (3) Concentrate on New Haven. (4) Do nothing in either New Haven or New London without a business case. *Editor*
What about the solicitation for a new operator?

In 2011 the state initiated a solicitation for the pier where Logistec's lease would expire in January 2013. In February 2012 the state cancelled the RFP pending the results of the state study on ports [see 12#04A], saying the responses lacked both quantity and quality. The Ports study [see above and 12#10A] suggested that the state redo the solicitation in two steps: a request for expressions of interest, and then proprietary discussions with those who respond.

Beck said ConnDOT added work for the consultant hired to conduct the State Pier Needs and Deficiency Study (Malone and MacBroom) to revise the RFP task that was part of the State Pier Study. He expected the new solicitation 'about 15-18 months prior to the expiration of the lease' and to have a longer response time than the two months the 2011 solicitation allowed. {e-mails to ANR&P} 

MAINE

NBSR-MMA: TRACK CUTOFF COMING

19 November, Mattawamkeag. A WORK TRAIN DEPARTED FOR THE BROWNVILLE AREA TO BEGIN WORK ON A CUTOFF. NBSR borrowed the MMA wreck train, to which it added two flat cars for a bulldozer and a ramp.

At Mattawamkeag two truck-trailers of new pressure-treated ties (made of Maine-grown wood, sawn and treated in New Brunswick) and a flatcar of rail were parked. A pallet of grade stakes construction fence was placed on a highrail pickup which left for Brownville.

Chester, after leaving Mattamwamkeag, Route 116. NBSR work train (borrowed MMA equipment and rented bulldozer) for work on a cutoff. Consist: blue GATX locomotive 2644, MMA boxcar BAR X1055, a flatcar with spare trucks, MMA mounted crane (number BAR X127), flatcar with dozer ramp, flatcar with bulldozer. The train is moving westward toward Brownville. {courtesy rail observer 19.Nov.12}
Cutoff plans
Both Irving workers and the owner of the bulldozer, who hailed from Fort Kent, related the plan to build, east of Brownville Junction, a 2000-foot cutoff with a curve of about 18 degrees. It will provide a direct connection between the MMA line to Millinocket and the NBSR line to McAdam.

Actual roadbed work will start this week and end within two weeks.

The existing train movements
Currently, all southbound trains (both MNR and MMA) on the Millinocket line running to points south, east, or west cross over the NBSR line on a bridge, run down to Brownville and return north to Brownville Junction. The cutoff will eliminate that loop [see map].

Reportedly, the Brownville Junction yard is now congested with the unit oil trains and movements from MNR to points east. {e-mail from rail observer to ANR&P 19.Nov.12}

Comment
While NBSR had no comment on the report, MMA Chair Ed Burkhardt wrote: '[W]e have been involved in the planning and construction of the cutoff. It makes a lot of sense. [MMA has no] traffic ex Millinocket going east, so usage of the new connection for this purpose isn’t of benefit [to MMA]. {e-mail to ANR&P 20.Nov.12}

PAN AM: NEW CUSTOMER
19 November, South Portland. *NORTHEAST DISTRIBUTION SERVICES BEGAN OPERATING HERE IN MAY*, said Mike Hart, the manager of the facility located on Rumery Road just off Pan Am’s Rigby Yard. The company was created by Michael Wilcox, one of the principals of Floyd Wilcox & Sons, located in eastern Idaho potato country and marketing under the Mother Earth brand. (Hart also acts as Northeast business development manager for Wilcox & Sons.) At the facility in Rexburg, workers can load four trailers and three
Use of rail
Wilcox was attracted to the site by its accessibility to rail, said Hart; this is the first site for the company. He expects to receive about 100 cars a year. Much of the inbound product is distributed already bagged; some Northeast bags in the warehouse. Outbound refrigerated trailers deliver to customers.

Delivery of the first four cars, in strings of two, was timely, said Hart: “twelve days” via UP, CSXT, and Pan Am. He will continue to use rail as long as the timeliness continues. {ANR&P interview}

PAN AM: LOST CUSTOMER
16 November, Biddeford. HOSTESS BRANDS WILL GO OUT OF BUSINESS NATIONALLY, it announced this day. The facility here, which Pan Am served when Nissen moved out of Portland (where SLR served it), will also close. Workers at the plant hope another company will buy and re-open it. {various press reports}

SLR: ANOTHER STEP IN AUBURN
14 November, Auburn. THE US ARMY CORPS OF ENGINEERS APPROVED A NEAR-RAIL INDUSTRIAL PARK PHASE II HERE. In Phase I, a road crossed the SLR to a new facility, built by Bisson [see map of Phase I and Phase II in 05#03B] and now owned by NEPW Logistics.

The NEPW access cannot be extended into Phase II, wrote George Dycio, economic development specialist at the Lewiston-Auburn Economic Growth Council. The road to Phase I cannot be extended for environmental and archeological reasons.

'There are no options for the logical extension of the existing rail line to serve the lots in Phase II of the industrial park...[so] any rail access for the future businesses in Phase II of the industrial park would need to be accomplished via transload.' {e-mail to ANR&P 19.Nov.12}
**BCLR: BACK TO NORMAL**

20 November, New Bedford. **THE RAILROAD CONTINUES TO SERVE ITS CUSTOMERS AS WELL AS MC'S SCRAP YARD** at the end of the Watuppa branch here. It recently completed program maintenance on the six miles of track, installing a thousand ties using a crew from sister company Seminole Gulf in Fort Myers, Florida.

The out-of-service leg of the wye with the state-owned line to New Bedford is restored, so that the CSXT/BCLR interchange now happens on the two legs, said BCLR Senior Vice-president Bernie Reagan.  

{ANR&P discussion}
CSXT: MORE STEPS

11 November, Framingham. **CSXT ENDED SERVING EVERETT FROM BEACON PARK.** The switcher job B721, which formerly operated out of Beacon Park, went to Everett (using the Grand Junction Branch out of Beacon Park) from the North Yard here this day with eight cars, and is now permanently based out of Framingham. {Guilford Rail Sightings e-list}

Local railroad employees were glum about the closing of Beacon Park. Others involved in regional economic and transportation planning also wanted CSXT to retain Beacon Park; Harvard not only acquired the yard itself, but also surrounding freight facilities, effectively eliminating any rail use of the area.

**Accepting the inevitable?**

Frank Demasi, who serves on the Boston RTAC and continues to argue for carload freight, noted that Class Is and larger regional lines were encouraging containers rather than conventional freight cars. 'Trucking costs less than local trains and yard switching and infrastructure, while the popularity grows of unit trains, centralized transload facilities like Westborough, bulk moves of frac sand and support materials, and petroleum products including use of rail as a short-term pipeline for crude.' {e-mail to ANR&P 14.Nov.12}

No access to Everett, for a bit

Coincidentally, the Grand Junction's bridge over the Charles River was shut down after inspection on 14 November. No freight cars are permitted until after temporary repairs 19-21 November. {MBCR bulletins summarized by source 18.Nov.12}

NEW HAMPSHIRE

**MBRX: LOSS ON APPEAL**

**ON WHAT BASIS DID THE APPEALS COURT UPHOLD PAN AM’S POSITION?**

On 25 September, the US Circuit Court of Appeals for the First Circuit found that Pan Am had not violated the duty of reasonableness, enshrined in New Hampshire common law, in barring Peter Leishman from ever operating on its property.

The three justices noted that Leishman was found to violate Pan Am's requirement that he station a flagger at a crossing and that Leishman did not appeal the district court's finding that he did violate the rule.

'Were we would be hard pressed to say that Pan Am's decision to exclude Leishman is [not reasonable] when MBRX has not challenged the finding of a violation but nevertheless, neither it nor Leishman accepts responsibility for the violation despite a spate of adverse rulings over the course of more than two years of litigation.' {text of decision in 12-1031}

The MBRX request for a rehearing was denied, and Leishman has decided not to attempt the slim chance that the US Supreme Court would accept the case for review. {ANR&P discussion 12.Nov.12}

RAIL FREIGHT FACILITIES

*Described in this issue.*

Buckeye (CSXT, New York) Crude barged to NYC.

CSXT Beacon Park (CSXT, Massachusetts) Switcher moved out.

Hostess (Pan Am, Maine) Closing.

Northeast Distribution (Pan Am, Maine) New customer.

---

4CSXT and state officials had a public ribbon-cutting at the Westborough Transflo facility on 13 November. {Donna Boynton in Worcester Telegram & Gazette 14.Nov.12} Actual initial operation occurred 6 October [see 12#09B].

7This despite, as Leishman has long contended, MBRX has up until this year never flagged crossings, and that the rule in question permits him to operate in shoving mode with an adequately-equipped caboose leading. Editor
PEOPLE

G. D. “Don” Marson has joined the Maine Eastern Railroad as vice-president and general manager. President of the parent Morristown and Erie, Wes Weiss, wrote: 'Don comes to us with more than 40 years of railroad experience, including a number of years as a consultant to railroads in North America and Australia....Don has been working with us for the past 3 years as a locomotive engineer and rules instructor on a part-time basis. He will also serve as the railroad’s designated supervisor of locomotive engineers.

Marson succeeds General Manager Denny Mohn who after five years at MERR will retire near the end of this year and will assist Don in the transition.