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

Formal issue 13#02B 5 March 2013

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

 REGIONAL

Crude: ExxonMobil to source off Newfoundland.
Boston-Portland-Halifax: Eimskip to call Everett.*
Portland-New York: Bids from McAllister and Foss for the tug-barge.*
MMA-NS: Defendants in death of rail worker.*

NEW YORK

SNC: First freight, for Barton International.* Map.
Adirondack Scenic: Passenger + freight?* Map.
Albany: Leap in 2012 cargo totals.**
CSXT-Albany: Buckeye still barging.*
Albany: Modules to Newfoundland for Exxon.*

QUÉBEC

[No report.]

CONNECTICUT

Pan Am: Meyer to use Portland's Eimskip call.*

MAINE

Pan Am: Legislature control crossing fees?
Pan Am-Portland: MDOT will look at extending rail to the International Marine Terminal in the spring.*

Eastport: Biocold coming.

Eastport: East-West road to use as container port?*

 MASSACHUSETTS

CSXT-MBTA: More Grand Junction bridge work.
Boston-CSXT: Preferred wants Plate F.*

CSXT: Goodbye to Beacon Park.*

MC: Iowa Pacific changes its control. Chart.
PW-MBTA: PW builds track for T's express train.*

NEW HAMPSHIRE

[No report.]

RHODE ISLAND

[No report.]

VERMONT

[No report.]

MARITIMES

Canso: Melford hates Port Authority creation.
Goldboro: LNG export terminal coming.
Halifax: Oceanex signs seven-year agreement with Halterm for Newfoundland traffic.*
Sydney: Containers? Nav aids hold up coal ships.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Angelini.

FROM THE PUBLISHER

More about crude
On 15 March, I will attempt to tell others why so much crude is flowing through our region, by rail, ship, and barge. Price? See Regional for details.

- Chop Hardenbergh Next formal issue 20 March
REGIONAL

CRUDE THROUGH THE REGION
Reports from rail observers show that MMA and Pan Am continue to operate unit trains of crude, delivering them to NBSR for final delivery to Irving Oil in Saint John.

Formal presentation
Your editor will attempt a coherent presentation of crude traffic flows through the Atlantic Northeast, and the reasoning therefore, to the Transportation Club of Moncton on 15 March. Coastal Inn, 502 Kennedy Street, Dieppe, New Brunswick. 12:00 noon. $30.00 for members, $35.00 for non-members and $15.00 for students and retirees. All welcome.

MORE CRUDE COMING TO THE ATLANTIC NORTHEAST
ExxonMobil is leading Chevron, Statoil, and Suncor in developing the Hebron heavy oil field discovered in 1981. By 2017 the field, estimated at 700 million barrels, will put out 150,000 barrels per day, and cost $14 billion to access.

The cost of $20/barrel does not nearly equal the price of Brent crude, in January selling for $110/barrel. Canadian heavy crude sourced from tar sands is now selling at a $35/barrel discount to West Texas Intermediate crude, or $58/barrel. But the consortium does not face the difficulty of raling the product, as Irving’s refinery lies nearby.

ExxonMobil is already producing at the Hibernia oil field 18 miles distant. Few other opportunities exist to invest massive amounts to gain material production growth; company production volumes have fallen five straight quarters. {Christopher Hellman in Forbes 7.Jan.13}

BOSTON-PORTLAND-HALIFAX*
26 February. EIMSKIP WILL CONTINUE TO CALL EVERETT WHEN IT SHIFTS TO PORTLAND, at least seasonally, according to the schedule and map posted on its website:

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*Reykjafoss voy 312 will only load in Norfolk April 4th.
PORTLAND-NEW YORK: ATB RFP*  
20 February, Augusta. **THE MAINE PORT AUTHORITY WILL SEEK BIDS FROM MCALLISTER TOWING AND FOSS MARINE HOLDINGS.** Executive Director John Henshaw said in an interview. The RFP for the design and construction of an articulated tug-barge will go out within two weeks. The two – McAllister out of New York and Foss out of Seattle – were chosen from a field of four companies who responded to the RFQ.

MPA envisions that a public entity would own the barge; it could itself own it, and and is talking to the Port Authority of New York New Jersey about the ownership. {Jessica Hall in Portland *Press Herald* 21-Feb.13}

McAllister owns Portland Tugboat, headed by Captain Brian Fournier. {McAllister website}

MMA, GREAT NORTHERN, ET AL: LAWSUIT*  
19 February, Philadelphia. **THREE RAILROADS AND OTHER DEFENDANTS WERE NAMED** in lawsuit filed this day by the widow of Jefferson Troester, who was killed in Upper Merion Township when two Great Northern paper rolls fell out of a boxcar. Troester worked for the Upper Merion & Plymouth Railroad (UMP), as assistant train engineer.

MMA and other railroads moved the boxcars loaded with paper to the NS yard in Allentown. NS moved the cut to Swedeland Yard near the printing plant. The UMP switch engine spotted a cut of five loaded boxcars inside the plant.1 Troester opened the doors of the boxcars.

*Upper Merion Township, Pennsylvania* inside the print plant where one roll (presumably put back) fell on a rail worker and killed him, when he opened the door. {courtesy law office Galfand Berger, representing the widow}
Widow Sarah Troester named as defendants: Great Northern Paper of East Millinocket, Maine; Philadelphia Media Network + Philadelphia Newspapers (these two print the Philadelphia Inquirer and Philadelphia Daily News; MMA; NS; Illinois Toolworks (makes the packing to secure paper rolls in the car); Arcelor Mittal; and Arcelor-Mittal Railways d/b/a UMP.

The lawsuit asks for $150,000. {text of complaint}

NEW YORK

SNC: FIRST FREIGHT*
19 February, North Creek. IOWA PACIFIC HOLDINGS ANNOUNCED THE FIRST OUTBOUND FREIGHT SHIPMENT IN 25 YEARS from North Creek, on a long-discontinued rail line. The Saratoga and North Creek Railroad (SNC), an Iowa Pacific Holdings (IPH) subsidiary [IPH has bought a majority share of MC – see Massachusetts], also operates scheduled passenger-rail service over the line to North Creek, serving seven intermediate stations. [See map.]

SNC operates 56.5 miles of track between North Creek and a connection with CP in Saratoga Springs. The line was built in the mid-1800s as the Adirondack Railroad to open up the Adirondack Mountain region to both inbound and outbound passenger and freight service; passenger service was discontinued in 1956.

The 29-mile Sanford Lake Branch, running from North Creek to Tahawus, was purchased by IPH from National Lead in 2012. The last freight train operated on the upper portion of the line in November 1989, and in 2003, freight service for an International Paper plant in Corinth was discontinued.

The north half of the line was purchased by Warren County in 197, the line from Corinth to Saratoga Springs was bought by the town of Corinth in 2006. IPH acquired operating rights to the line in 2011 and has spent about $1.5 million on track, station and ancillary facility upgrades, including rail replacement, siding rehabilitations, and new ties and ballast.

Industrial minerals shipper Barton International made the first shipment, according to Charles Barton, COO. Barton last used the line in 1988. Other potential commodities for the short line include iron ore, hardwood forest products, aggregates, inbound coal and general merchandise, they said. {IPH press release}

ADIRONDACK SCENIC: ANOTHER IOWA PACIFIC DEAL*
25 October, Lake Placid. ADIRONDACK RAIL PRESERVATION SOCIETY ANNOUNCED A MEMORANDUM OF UNDERSTANDING WITH IOWA PACIFIC HOLDINGS LLC. It proposes establishing 'high-end excursion passenger service' using restored Pullman railcars and sleeping cars. In the Adirondacks, Iowa Pacific found 'numerous opportunities for rail-service development,' specifically railroad 'access to trailheads and waterways, and future freight potential.'

'The parties therefore also commit to the joint identification and shared exploration of these and all other forms of rail activity which appear achievable as a part of the future of this singular and irreplaceable infrastructure,' according to the railroads’ joint statement. {Kim Smith Dedam in Press Republican 226.Oct.12}

The Society, under the nom chemin de fer Adirondack Scenic, operates excursion railroads from Utica, Thendara, Saranac Lake, and Lake Placid. {company website}

[See map of scenic services.]

ALBANY: GRAIN UP*
12 February. PORT OF ALBANY (ALBANY-RENSSELAER PORT DISTRICT) VOLUME INCREASED 28% to 391,470 tons, up 86,449 tons for 2012 over 2011. The actual increase was even higher, as the Port Commission statistics do not cover data on petroleum products handled at facilities within its District. Bakken crude is now flowing via the Buckeye Terminal [see 12#10A & 12#12A].

Like many other newspaper websites, the Telegram and Press Republican apparently are too arrogant to state WHERE they are situated.
Bulk: grains dominate
Grains (outbound) increased by 65,501 tons, 139%, to 112,752 tons in 2012. Second in volume, inbound molasses, rose by 9,587 tons, 91%, to 20,072 tons in 2012.
No salt has moved since 2008.

Breakbulk/heavy lift: scrap dominates
Scrap iron (outbound) rose by 5,556 tons (3%) to 205,702 tons in 2012.
Heavy lift/project cargo (inbound, moved by ship) up by 5,495 from 0 in 2011, but outbound heavy lift/project cargo moved by ship dropped 3,260 tons, down 16%, from 20,194 tons in 2011 to 16,934 tons in 2012 [see other article for housing modules].
Outbound heavy lift/project cargo moved by barge was up by 1,190 tons from 0 in 2011; and heavy lift/project cargo (inbound, moved by barge) rose 640 tons (229%) from 280 tons in 2011 to 920 tons in 2012.
Woodpulp (inbound) rose by 1,740 tons (7%) to 28,405 tons in 2012. It arrives from Sweden by ship usually once a month, and is trucked daily to various mills in New York, Ohio, and other points.

Inbound versus outbound
While outbound volumes make up about 80% of the cargo and rose 68,987 tons (26%) from 267,591 tons in 2011 to 336,578 tons in 2012, inbound cargo increased more, up 17,462 tons (47%) from 37,430 to 54,892 tons.

Barge only a small fraction
Ship transport increased 84,619 tons, from 304,741 in 2011 to 389,360 in 2012. Barge shipments of 2,110 tons in 2012 represented a rise of 1,830 tons from the 2011 level of 280 tons. [Crude by barge – see other article – not included in statistics.]
Vessel trips increased in 2012, rising from 53 in 2011 to 64 in 2012. The largest trip increase occurred in heavy lift projects cargo transported by ship, up by 11 trips, from 22 trips in 2011 to 33 in 2012 (+50%).

{Albany-Rensselaer Port District 2012 tonnage report from Tony Vasil, POA business development and marketing manager, to ANR&P correspondent Laurel Rafferty 12.Feb.13}

January better yet
While January 2013 vessel trips decreased by 1 (6 to 5) from 2012, tonnage in January increased by more than 20,000 to 53,039 tons. {Rich Hendrick, port district manager, email to ANR&P correspondent Laurel Rafferty 25.Feb.13 & 5.Mar.12 (pulp movement) }

CSXT-ALBANY: STILL NO SHIP*
11 February. “THERE IS NOTHING NEW ON THE BUCKEYE SHIPPING AT THIS TIME,” wrote Rich Hendrick, port general manager. {e-mail to ANR&P correspondent Laurel Rafferty, 11.Feb.13}

In early January the Port hoped that crude oil transport by Irving ships would resume within a month. But by the end of January, Hendrick said barge transport [see 13#01A], substituting for the oil tanker transport, would likely continue until the US Coast Guard completed investigating the grounding in November. “We're three barges for every ship. It's not a cost-effective way they're moving this product.” {Eric Anderson in Albany Times Union 28.Jan.13}

ALBANY: NEWFOUNDLAND TRAFFIC**
January. HOUSING MODULES BUILT BY CHAMPION HOMES WERE LOADED ON A FREIGHTER here, the Flinterstream. The ship charterer, Flinter of the Netherlands, said by 19 February it had moved 150 such modules.

Champion, located in Sangerfield, New York, built at least 40 of the units, destined for the ExxonMobil project in Bull Arm, Newfoundland [see box]. Port General Manager Rich Hendrick said they will provide worker housing. {Eric Anderson in Times Union 28.Jan.13; Flinter website}

More moving
Hendrick said later that housing module shipments began in December 2012. 'We just sent the third out on February 21 with at least 1 more expected next month. They arrive at the Port by truck and are lifted off the trailers to be placed on the ship; when they arrive in N.F. they are placed on another trailer and taken to site. Trailers here at the Port are returned to Champion for another load. So far each takes an average of 39 housing units or about 730 tons.' {emails to ANR&P correspondent Laurel Rafferty, 22 and 25.Feb.13}

CONNECTICUT

PAN AM: NEW CUSTOMER*
20 February, Plainville. MEYER ENTERPRISES WILL DO BUSINESS VIA EIMSKIP, said owner Chris Meyer. In July 2012, he moved his warehousing and trucking firm from Newington to this site, adjacent to the Pan Am yard, to take advantage of rail access.

The facility
Meyer has leased multiple car spaces of the Pan Am yard, as well as a 360,000SF warehouse adjacent, with highbay access. It has a 110-ton crane remaining from National Eastern's steel operation [see 04#08B] which he will bring into use when traffic warrants.

The rail
Pan Am began serving Meyer on 1 January. He anticipates “mostly inbound” traffic, much of it lumber and
paper. However, he will also store and send “food and other goods” from inside a 250-mile radius, to domestic destinations or overseas via Eimskip. (He does not have refrigerated space.)

The Eimskip connection
Pan Am will rail loaded containers from Portland, landed by Eimskip [see 13#02A Maine], to Meyer. His workers will strip them, and deliver the contents by truck. Meyer can then load the empty and repacked containers, which Pan Am will rail back to Portland for Eimskip to pick up.

Other businesses
The trucking operation serves the facility, Meyer said, and offers nationwide service. “I have three facilities across the country.” Meyer also operates a metals distribution business. {ANR&P}

MAINE

PAN AM: PRIVATE CROSSING FEES
21 February, Augusta. MAINE LEGISLATORS WILL REWRITE A BILL ON RAILROAD LIABILITY after hearing from landowners about the problems with the first draft. In 2012, the railroad agreed to hold off on fees assessed at private crossings until the Legislature limited railroad liability at private crossings [see 12#089B].

Supporters of the bill said that if railroads had no liability at private crossings, they would have no reason to ask landowners to assume the liability and insurance costs.

Affected residents, however, testified that the bill did nothing to ensure that the railroad would follow through on its commitment. They also wanted the separate issue of maintenance fees to be addressed in the same piece of legislation, so Pan Am and other railroads’ fee structures would be regulated.

Cynthia Scarano, Pan Am executive vice-president, said the railroad has backed away from its initial efforts to collect maintenance fees and is open to a bill that would include maintenance fee regulations. {Matt Hongoltz-Hetting in Kennebec Journal 21.Feb.13}

PAN AM-PORTLAND: TRACK*
20 February, Augusta. HOW SOON WILL TRACK REACH THE INTERNATIONAL MARINE TERMINAL? Nate Moulton, MDOT rail administrator, wrote this day: 'All parties are working together to get this designed and built in a timely manner to meet Eimskip's needs. The one of first needed steps will be the arrival of spring.' {e-mail to ANR&P}

More needed
While awaiting spring, the parties are – they said on 13 February – clearing up the track ownership east of the Sprague terminal [see 13#02A].

EASTPORT: BIOCOAL COMING
Thermogen, the company building a torrefied wood facility in Millinocket, will also build one in Eastport. More in a future issue.

EASTPORT: EAST-WEST HIGHWAY*
20 February, Pittsfield. CIANBRO IS LOOKING TO CONTAINER TRAFFIC AT THIS PORT to support its proposed East-West Highway across northern Maine [see map in 11#11B and 12#06A]. During presentations in fora around Maine in the past two months, Cianbro's manager of the product, Darryl Brown, argued that:

- Container ship traffic is the most efficient means of transporting goods, and that traffic is expected to triple from 2008 to 2024. With the expansion of the Panama Canal, many major ports are having to dredge or cannot handle the larger post-Panamax vessels.
- The Port of Eastport has the greatest natural depth, at 64 feet, of any port in the continental U.S.

- Asked why a highway instead of rail, he said rail works best for transporting bulk materials but trucks are better for "just in time" delivery, a production strategy used by certain businesses and industries. “The best model is to have rail, trucks and ports.” {Edward French in Quoddy Tides 25.Jan.13}

Room along Passamaquoddy Bay
On 20 February, Brown noted that such a terminal could utilize “not just Eastport, there's lot of available land” along Passamaquoddy Bay up to Calais, which has “deep water.”

What about other ports?
Brown acknowledged that other sites are also interested in more container traffic, such as Halifax. However, Eastport should be considered for its potential.

As to rail, he is envisioning a “rail and trucking combo, looking out a few years.” The Eastport Port Authority is looking at extending rail back to Eastport, or to points “up the coast.”

Status of study
In 2012 the Maine Legislature authorized $250,000 for a study of the highway, but the study was held up “during the election season.” Cianbro is moving ahead, Brown said. “We are not dependent on the study.” MDOT should not conduct the study until “we know where the interchanges will be.” {ANR&P discussion}

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MASSACHUSETTS

CSXT: REGENCY WAREHOUSE NOISE
25 February, Worcester. A DIFFERENT GROUP OF NEIGHBORS COMPLAINED OF TRAIN NOISE during the night [see 13#02A for complaints about intermodal terminal], this time from the Regency warehouse on Atlas Street, about three miles east of the intermodal facility [see box for regional Regency facilities].

In the last six months, the noise from the switching has shifted into the nighttime because the addition of more MBTA trains to Worcester has closed windows CSXT might use to serve Regency. Maurice O’Connell, vice-president of government relations for the railroad, told a meeting here on Monday night attended by about 70 people that CSXT is tweaking the service to get to Regency early in the evening.

It could do so by asking crews to report earlier, so they reach Westboro sooner and begin assembling the train to serve Regency, or by moving the reporting location closer to Westboro so they would reach the assembly yard earlier.

O’Connell said the local freight train for Worcester originates in Framingham at 3 p.m. It is often held up in Westboro because it has to wait for the cars going to its Worcester customers to be assembled. {Nick Kotsopoulos in Worcester Telegram and Gazette 26.Feb.13}

How CSXT provides local service to the region
The manifest train Q436 originates in Selkirk, from the yard there and terminates in Framingham. In Framingham, the cars are either sent back west to Westboro (B722 Sunday-Thursday), Worcester (B723 Monday-Friday), or north to Leominster (B724 Monday-Friday), or east to the South Coast area or on B721 to Everett Sunday to Thursday. {train numbers from two different e-lists}

The 'Worcester turn' [apparently combining two trains?] originates in Framingham, halts in Westboro to switch Tate and Lyle and the Transflo yard, lift, and spot cars. It does the same at the spur for Dana Films in Westboro, and proceeds to Worcester to do the same for customers there.

Presumably it serves Regency on the way back to Framingham, since the spur has switchpoint facing east). {editor}
REGENCY FACILITIES

Franklin
No rail. The line from Boston once passed nearby.

Clinton
111 Adams Road, Pan Am served. 200,000SF

Devens
50 Independence Drive, Pan Am served. Apparently Kenco Logistics owns or leases long-term the facility here. Regency Warehouse operates in most of it, for one client: USG [see 06#12A and 08#09A]. Much of the wallboard which arrives here by rail comes from the Irving wallboard plant in Saint John via NBSR.

The Kenco website says only 26,000SF is available. This was possibly the space used by Crossdock Logistics [see 05#02B] with the rail spur at the northeast side of the building. USG cars now utilize a new track splitting into two spurs each of which, in a Bing photo, holds five centerbeam cars.

Worcester
66 Atlas Street, CSXT served. 173,000SF. Bing aerial photo shows variously five or six boxcars and additional doors at which cars could be spotted, all served from one sidetrack.

Blackwood NJ
500 University Court, no rail.

CSXT-MBTA: MORE BRIDGEWORK

4 March, Boston. MBTA WILL SPEND SIX WEEKS DOING FURTHER REPAIR TO THE GRAND JUNCTION BRIDGE, between 7 March and 15 April. As before during emergency repairs [see 13#01A], MBTA and CSXT traffic between the North side and the South side presumable must detour via Pan Am and Worcester. {e-mail from railroad source}

BOSTON/EVERETT: EIMSKIP CONTINUES **

25 February, Everett. EIMSKIPS CONTINUED CALL BENEFITS PREFERRED FREEZER [see Regional]. Ryan Martin, who handles sales for the company's facility in Everett, said business for his company in shipping and 3PL business is growing in national and international markets; it recently acquired its fifth facility in Massachusetts, in Avon.

In Everett, one of only two cold storage warehouses in New England with rail on the water [Seafreeze in Davisville, Rhode Island the other], Preferred offers both truck and rail inbound and outbound. Preferred has worked with Eimskip for 35 years, and “looks forward to more.”

“We do a lot of export,” said Martin, in every commodity, as well as inbound frozen-at-sea fish. Eimskip offers a competitive alternative to containers moving over Conley Terminal.

Rail
While Martin declined to say how many carloads the site did, he called it “lots of continuing business.”

He acknowledged that the clearances for CSXT, which serves the spur, do not permit the higher Plate F cars. French fries, for example, “need that volume in that car to make sense” financially. Preferred and CSXT are talking with “another railroad” about getting access for Plate F cars. {ANR&Pdiscussion}
CSXT: GOODBYE*

11 February, Boston. CSXT REMOVED INTERMODAL, THE FINAL FREIGHT FUNCTION, FROM BEACON PARK, ending 120 years of rail use.

The name Beacon Park stems from one of the pioneer race tracks in New England. It was founded in 1864 as a half-mile long course for sulky racing, and was at first called Riverside Park. In 1870 it was extended to a mile, and renamed Beacon Park. In the early 1890s the land was sold to the Boston and Albany Railroad for conversion to a freight yard; the B&A retained the moniker. {William Marchione in B&A history website}

CSXT announcement

Effective today, February 11th, all service between Bedford Park and New England will be handled at Worcester or Springfield in lieu of Boston. The last inbound train to Boston will be notified on Tuesday, February 12th, by 1700.

Customers must pick up all inbound units at Boston by 1600, Saturday, February 16th. This is also the last date empty equipment will be accepted in Boston. Units not picked up by Saturday, February 16th, may be relocated to Worcester and re-notified at a fee of $500 per unit, and daily storage charges will begin to accrue at the amount specified in the CSX Intermodal Service Directory 1 for that facility. All containers on the street should be returned to either Worcester or Springfield, if possible.

Through February 17th, all misuse fees will be waived for rail asset equipment that flows from the Boston terminal to either Worcester or Springfield.

The yard on 20 February

A string of spine cars served as the last vestige of intermodal. {ANR&P coverage by correspondent Frank Demasi}

Bob Sullivan, CSXT spokesperson, wrote that 'the transition went smoothly and according to the plan outlined' above. {e-mail to ANR&P}
MC: CHANGE IN OWNERSHIP

27 February, DC. IOWA PACIFIC PROPOSED TO MOVE CONTROL OF MC, from the '80% owned Cape Rail' to its 100% owned subsidiary San Luis & Rio Grande Railroad, in a filing this day for a Notice of Exemption.

'Applicants propose to reorganize their corporate structure in order to claim certain tax and commercial benefits. Under this reorganization 100% control of Mass Coastal will be transferred from its current direct owner, Cape Rail, to SLRG. Thus IPH through PBR will control 100% of Mass Coastal through SLRG rather than through Cape Rail. Cape Rail will continue to control Cape Cod Central and will no longer be subject to any Board jurisdiction because its only remaining subsidiary is an intrastate excursion passenger railroad outside Board jurisdiction.' {STB website, filings page, FD 35721}

No change in operation

Responding to your editor's question about the effect of the transaction, Ed Ellis, chief of IPH, wrote on 1 March: 'Chris [Podgurski] is still president [of MC].

IOWA PACIFIC FAMILY OF RAILROADS

IPH owns all railroads through subsidiary Permian Basin.

Permian Basin Railways formed 2002, has these subsidiaries:
Texas – New Mexico Railroad (2002)
West Texas & Lubbock Railway (2002)
San Luis & Rio Grande Railroad (2005)
- Saratoga & North Creek Railroad (2011) [See New York]
Chicago Terminal Railroad (2006)
Mount Hood (2007)
British American Railway Services (2008)
- Dartmoor Railway (2008)
- Weardale Railway (2008)
Cape Rail (80% - 2012)
- Massachusetts Coastal Railroad (2012)
Rusk, Palestine, & Pacific Railroad (2012)
Santa Cruz and Monterey Bay Railway (2012) [IPH website]

PAN AM: SELLING MORE TRACK


The Pan Am branch

The freight railroad currently serves two customers in Adams, via its Adams Industrial Track running south from North Adams: Holland Company at 153 Howland Avenue; and Specialty Minerals, at 260 Columbia Street. The five-mile line once continued to Pittsfield, but now ends at Renfrew Street in Adams.

3 The Pittsfield & North Adams Railroad was chartered in 1845 and passed through several hands until, in 1981, the Boston & Maine took over, as it did the line now operated by the Housatonic south of Pittsfield. In 1990 B&M successor Guilford abandoned the ten miles between Pittsfield city limits and South Adams, and another mile between South Adams and Renfrew in 1994. {Rail
Impact on industrial customers
Bill Hudson, who handles rail transportation for Specialty Minerals, said his firm became aware of the deal a few weeks ago. It is investigating the impact on its operation, and discussing it with Pan Am. He said the railroad currently serves his facility on Tuesdays and Thursdays.

Another source noted that Pan Am did not inform its customers before the announcement. “The real estate people did not inform the marketing people,” as that source understood the situation. \{ANR&P discussions & e-mail 4.Mar.13\}

How the project emerged
Kevin Chittenden, superintendent Train Operations for the Berkshire Scenic Railway Museum (BSR), said the idea began actually back in 1985, when B&M owned the Adams stretch, and the BSR was beginning scenic excursion operations from its headquarters in Lenox on the B&M-owned section from Pittsfield south to Canaan. BSR began discussions but the idea fell through as Guilford-Pan Am began looking at abandoning the section north of Pittsfield.

The idea was revived by North Adams Mayor Richard Alcombright two years ago, when he wanted to operate trains out of Shelburne Falls through the Hoosac Tunnel. He and representatives of other players met in Shelburne Falls; Pan Am informed advocates that operating excursion trains on the Pan Am main line through the Hoosac Tunnel would not happen.

However, MassDOT continued to talk to Pan Am about the idea, and surprised BSR with the good news that such an service might happen. [In early 2012, MassDOT worked hard, but failed, to get HRRC to reverse its

\textit{Lines of Southern New England, Ronald Dale Karr}\}
decision to ban BSR operation from its line in Lenox – see 12#05B."

Chittenden, noting that the deal “is not yet done,” said under the plan Pan Am will retain freight rights, and that BSR would operate only on weekends and holidays. \textit{ANR&P discussion 4.Mar.13}

Additional construction
The former rail line from Pittsfield is now a trail, which ends at the Visitors Center on Hoosac Street in Adams. MassDOT will not only fund the purchase of the line to North Adams, but will pay for design work to relay track from the Visitors Center to the existing end of track at Renfrew. The trail will run parallel to the track for that additional six-tenths of a mile.

BSR will lease the line from the state. \textit{[See map.]}

Operation
Trains, some six to eight a day, will run between the Visitors Center in Adams and the Brien Center in North Adams, covering the five miles in about 25 minutes. \textit{[Jennifer Huberdeau in North Adams Transcript 19.Jan.13]}

\textbf{PW-MBTA: NEW STORAGE TRACK*}
26 February, Worcester. \textit{P&W AND MBTA RECENTLY EXECUTED AN AGREEMENT PROVIDING FOR P&W'S CONSTRUCTION} of a new 1075' +/- track in P&W’s Norwich North Yard in Worcester for use as a layover facility for a special express train due to be added to MBTA’s commuter rail service on the Framingham/Worcester line in spring 2013.

To date, wrote PW spokesperson Marie Angelini, grading has been completed and ballast has been spread, with ties and rail expected to be installed in the near term for completion on or around 1 April. MBTA will obtain access to and rights in the facility pursuant to an as-yet unexecuted Lease/Operating Agreement.

PW’s Norwich Branch is directly adjacent to PW headquarters, across Southbridge Street from PW yards. Accordingly, the movement will have no impact upon container traffic/ICI. \textit{[e-mail to ANR&P]}

\textbf{MARITIMES}

\textbf{CANSO: BECOME A PORT AUTHORITY?}
28 February. \textit{TWO LOCAL GOVERNMENTS AND A PRIVATE BUSINESS OPPOSE THE APPLICATION FOR CANADA PORT AUTHORITY STATUS}, submitted by the Strait of Canso Superport Authority, said superport CEO Tim Gilfoy. “We want to be a CPA so we can collect harbour dues [see 11#12B] (approximately $1.2 million annually) and reinvest in the port. That is the main reason,” he said.

Revenue from the dues, which now goes to Transport Canada, would fund a global marketing initiative with the view it would attract new industries. “There is a fairly consistent consensus in the area that port diversification is the key to economic stability here and I think that became quite evident in the negotiations that lead to the reopening of the paper mill. [See 12#09A] But our basic intent is to position this port to operate on a level playing field with other significant ports and the Canada Port Authority status is the mechanism in the Canada Marine Act to be able us to do that,” Gilfoy said.

Early in process
The Superport’s application is only in the early stages with no timeline on an answer from Transport Canada. Discussions are ongoing. “It is a matter of providing them what they feel is sufficient information to make an informed decision on our eligibility for it,” said Gilfoy. \textit{[Gilfoy in discussions with ANR&P correspondent Tom Peters 28 Feb.13]}

Opposition
Three parties have publicly expressed opposition to the CPA application. with one of those parties having been
an original supporter. “We don’t need more bureaucracies at the Strait,” said Lloyd Hines, Warden for the Municipality of Guysborough. “This has the potential to be a job killer,” he said in reference to the application. {Aaron Beswick in Halifax Chronicle Herald 23.Feb.13}

The Town of Antigonish has also opposed the application. Gilfoy believes that Guysborough is supporting Melford’s opposition. “From Guysborough’s perspective I think they are following the lead of Maher Melford Terminals that are saying that something like this would be detrimental to their project. We don’t agree. There is nothing in what we are doing that will have any negative impact on a terminal that is privately owned,” Gilfoy said.

“Guysborough was a funding partner in the port master plan that recommended this. Now they don’t want it. One of the key recommendations was to apply for CPA status.”
As for Antigonish, “the town simply responded to a request from Guysborough to oppose it,” Gilfoy said. {Gilfoy in discussions with ANR&P correspondent Tom Peters 28 Feb.13}

**Maher Melford’s position**
Richie Mann stated a number of reasons Maher Melford opposes a CPA at the Strait. "The issue is pretty simple and straightforward for us. Here are but a few of our thoughts”

- There has been no CPA at the Strait and that is how we have been marketing the area from the beginning. That has caught the attention of the industry as their history with port authorities has resulted in fees, costs and regulatory matters.
- There are no federal government-owned lands to manage in the Strait, thereby questioning the need for a CPA. This is much different than other ports with a large percentage of lands owned by the federal government.
- If the federal government took back the two small properties divested to Superport Corp. in 2000, then there would be but two wharves to manage – hardly justifying a CPA.
- The business plan proposed in the application is not realistic in today’s economy. It is based on collection of harbour dues ($1.2M) which was the case circa 2008 but which may be half that today because of reduced vessel calls [less oil imported – see12#12B].
- Transport Canada has a formula for collecting fees based on vessel size and cargo. A CPA, with revenue derived almost exclusively from fees, would have a fixed budget to satisfy. A decrease in vessel calls would likely result in higher fees per vessel.
- Superport Corp. has been operating since 2000. The federal government gave them $6.6 million to fix property and $3.9 million to operate. They have expended the money with limited (or some would suggest no success) and have proven they are not self-sufficient (a requirement to be a CPA).
- They (CPAs) offer no benefit to the private sector businesses and industries at the Strait.
- They (Superport Corp.) say they need money for marketing! Marketing what? The lands and businesses are privately owned.
- They also identify the need to cost share in programs and projects? What is this? Again, the Strait properties are private sector and programs and projects require private sector participation and leadership, not a CPA.
- CPAs preclude industry (port users) from having direct involvement (Canada Marine Act rules) – that is problematic in less densely populated areas such as the Strait with limited expertise to draw from.
- Authority to borrow using only “future revenues” as collateral creates debt service as a fixed cost, thereby exposing users to higher fees.
- Sends (CPA) the wrong message to industry.
- Superport Corp. has poor relationship with industry. (It) has not been helpful and that is not likely to change.' {Richie Mann in email to Peters 28.Feb. 13}
Gilfoy responds

Gilfoy noted that the Melford proposal is modelled on the the very successful operation in Prince Rupert which is a Canada Port Authority. “So there are things in play here we don’t see.”

Gilfoy also refuted Mann’s suggestion that a decrease in port traffic would give an authority an opportunity to increase dues. The dues are based on a vessel/tonnage formula. “That is certainly not what we are looking for. If Richie is making that argument it doesn’t show much confidence in the traffic he is going to generate.

“That being said, Transport Canada can come in and up the rates at any time with no consultation here. It is certainly not our intent to increase the fees but I think what we want to do is increase the traffic so that perhaps there could be a decrease in harbour dues over time. We wish Maher Melford well. We think it would be a tremendous project but it is a bit frustrating that an initiative we are undertaking for the overall port is being targeted as something negative for their project.” {Gilfoy in discussions with Peters}

GOLDBORO: LNG EXPORT

1 March. AN ENERGY INFRASTRUCTURE DEVELOPMENT COMPANY PLANS TO DEVELOP A LIQUEFIED NATURAL GAS FACILITY IN GOLDBORO. The site was touted for such a facility for imports seven years ago [see 06#07B] but the project was shelved. {Michael Tutton in Toronto Globe and Mail 24.Aug.10}

This time around, Pieridae Energy Canada Limited plans an export facility to start production in the first quarter 2019. Mark Brown, director of project development for Goldboro LNG, said the company plans to bring in supply for its facility, where natural gas will be liquefied and then exported, from three North American suppliers. “Our intent is to bring supply say about a third from the U.S., a third from onshore Atlantic Canada, which is Nova Scotia and New Brunswick, and a third from offshore Atlantic Canada. Those percentages could change depending on where the hydrocarbons are and that want to come to the project. It could be 100% from the U.S. or 70% from wherever. Those percentages could change but we do see three supply sources.” {Discussions with ANR&P correspondent Tom Peters 1.March.13}

Pipeline delivery

Brown said gas from suppliers will move to the plant mainly through pipelines. “The Maritimes and Northeast Pipeline goes right through the property. It interconnects with the North American pipeline grid at Drake, Massachusetts. so there could be gas flow up from the U.S. through existing pipeline systems. Also coming from Quebec and Central Canada through the Portland natural gas system. Hydrocarbons from Nova Scotia and New Brunswick would go right into the Maritimes and Northeast system on the Canadian side,” he said.

Goldboro LNG plans to export to markets in Europe and South Asia. The size and number of vessels to be used for export will depend on “what scale we get to with the terminal. It could be seven to 12 cargoes a month and range in size from 135,000 cubic metres to 265,000 cubic metres.”  {Brown in discussions with Peters 1.March.13}

Facilities

Goldboro LNG will build a natural gas liquefaction plant and facilities for the storage and export of LNG including a marine wharf for loading. The plant is anticipated to produce approximately five million metric tonnes of LNG annually and have on-site storage capacity of 420,000 cubic metres of LNG. {Pieridae Energy release 24.Oct.13}

HALIFAX: OCEANEX DEAL*

31 January. A NEW SEVEN-YEAR SERVICE CONTRACT BETWEEN NEWFOUNDLAND-BASED SHIPPING LINE OCEANEX AND HALTERM CONTAINER TERMINAL LIMITED (Halterm) could generate upwards of $60 million to the Halifax terminal. {Halterm release 31.Jan.13}

Oceanex is a key carrier of imports and exports to Newfoundland and Labrador offering a weekly
service from Halifax to St. John’s and twice weekly from Montreal to St. John’s. The line also serves Corner Brook over the Port of St. John’s, moving goods by truck.

The shipping line has three vessels and will add a fourth in October, now under construction in Germany. {Oceanex website}

**Long agreement**

Oceanex Executive Chairman Captain Syd Hynes said the seven-year deal is not normal yet what his company wanted. “The longer the better in our minds as long as it is good deal, fair and reasonable. I guess it indicates our commitment to the port of Halifax and we want to make it work. And of course, if you know where your cost base is and where you’re going and what the rules are, it makes it a lot easier to do major planning.”

Hynes said Oceanex plans to add a second run between Halifax and St. John’s likely in April or May as volumes have a tendency to increase in the summer. {Hynes in discussions with ANR&P correspondent Tom Peters 19.Feb.13}

**Halterm comments**

Halterm CEO and Managing Director Ashley Dinning said: “For our operations it provides further certainty of employment in the current tough economic environment. {Halterm release 31.Jan.13}

On 20 February he added: ‘A seven-year contract is very unusual in this industry. Around the world a more common contract length is two to three years. It is certainly in Halterm's interest to ensure we continue to enhance our service provision to Oceanex and to their shipping line and cargo customers, to ensure we not just meet, but outperform our responsibilities to them under the terms of the agreement.' {e-mail to Peters 20.Feb.13}

**Oceanex cargo**

Import cargo to St. John’s from Halifax includes: new automobiles, between 26,000 and 27,000 annually, loaded at Autoport; project materials; and a variety of consumer goods. The combination roll on/roll off vessels also carry tractor trailers and containers. Exports going through Halifax from St. John’s include seafood, paper and various raw materials. {Halterm release}

Including its Montreal-Newfoundland service, Oceanex delivers about half of Newfoundland's inbound traffic. {Moira Baird in Telegram 1 21.July.10}

**Competition**

Marine Atlantic provides a competitive, government-subsidized (Oceanex has no subsidy) service from North Sydney to Argentia and Port-aux-Basques. It carries only ro-ro, but unlike Oceanex it also carries passengers and automobiles.

Oceanex's Hynes, former chair of Marine Atlantic, said recently that Marine Atlantic is subsidized by the federal government up to 70% of its true costs. {discussion with Peters}

**Oceanex ownership and traffic**

In 2007, Hynes bought Oceanex from the Income Trust which owned it, for $230 million. At the time, he said: “My focus is to make it more of an Eastern Canada transportation company, not just a shipping company, but to get into other avenues of transportation and to expand on what we have.” {Western Star 30.Nov.07} He declines to provide traffic levels. {discussion with Peters}

Just before the sale, Oceanex had increased its TEU count from 45,000 in 1997 to 80,000 in 2005. {Wall Street Transcript 3.Apr.06}
SYDNEY: CONTAINERS, COAL*

21-22 February. **TWO INTERNATIONAL GROUPS HAVE EXPRESSED AN INTEREST IN DEVELOPING A $500 MILLION CONTAINER TERMINAL HERE,** a two-day port summit here was told. Hosted by the CBRM, (Cape Breton Regional Municipality) the Cape Breton County Economic Development Authority, and the Sydney Ports Corporation, the summit brought together many of the business, government, community and industry participants actively engaged in developing the port. The event also engaged the broader public on the opportunities for jobs and economic development the port presents. {CBRM release 22.Feb.13}

Who?

“We have two, world-class parties, at least, interested in a long-term concession and when we say long-term we mean as long as 75 years,” said marine consultant Ed Zimney. He said the names of the interested parties could not be released due to confidentiality agreements. {Mary Ellen MacIntyre in Halifax Chronicle Herald 22.Feb.13} Consultants Zimney of Paul F. Richardson Associates Inc. and Gordon Forsyth of BSY Associates, both of New Jersey, were hired in 2012 by CBRM to market the port globally as a potential site for a container terminal. [See 12#05B].

CBRM Mayor Cecil Clarke, a former provincial politician and cabinet minister, said: “I am working with council and our partners to look at setting meetings with the two interested parties and then looking at to what degree interest is in place there.” He will then report back to council with recommendations and the next steps in the process. “It is a very complex matter but I have always said the market will decide where it [a terminal] goes.”

If the terminal project was to move ahead, “We can’t do it on our own. Prince Rupert required significant government dollars to facilitate a business case to move forward. We would be naïve to think we would be anything different than that,” Clarke said.

Railway an issue

Rail observers believe that to operate container service, CBNS must invest heavily in the track. [See David Gunn comment in 13#01AS.] Clarke said the rail line is useable now at slow speeds because of the condition of the rail bed.

“Today there is potential for incremental traffic on the line. If there is substantial requirement based upon an operator wanting to move significant traffic than it is going to change the economic model and we can’t do that. There is criteria for specific regulatory requirements for operating. If we get to the point where there is significant investment required because we have significant economic opportunity,” then the municipality would have a reason to get the provincial and federal governments involved. {Discussion with ANR&P correspondent Tom Peters 26.Feb.13}

Dredging and coal

The port entrance channel dredging is now finished [see 11#12A], so larger ships may call, giving more impetus to port development. The dredge spoils were placed at a greenfield site designated for the container terminal, now owned by CBRM [see 12#05B]. Sydney has not heard from Atlantic Gateway since it threatened legal action over the sale to the municipality, said John Whalley, economic development director for CBRM.

Nav aids another issue

Port users like Provincial Energy Ventures need the harbor navigational aids system changed because it is developing a coal transshipment terminal and wants to bring in cape-size coal boats which it can’t do now with the present navigation system. [See12#08B.]

Whalley said the Sydney Marine Group is leading discussions with the Canadian Coast Guard. “They have had a number of meetings with coast guard. I have seen some cost estimates and basically the issue, it seems, is the coast guard is suggesting they don’t have money in their budget to address the issue. In the order
of about $1.5 million to $2 million. Obviously it is a priority for this port because until you do this you can’t bring cape-size vessels. Where the money comes from is going to require the three levels of government to sit down with port operators and coast guard and determine how we allocate funding.” {Whalley in discussions with Peters 25.Feb.13}

**RAIL FREIGHT FACILITIES**

Described in this issue:
Barton International (SNC, New York) First freight in 25 years.
Great Northern Paper (MMA, Maine (see Regional) Paper roll kills railroad worker.
Holland (Pan Am, Massachusetts) Scenic railroad coming.
Meyer Enterprises (Pan Am, Connecticut) Will work with Eimskip.
Preferred Freezer (CSXT, Massachusetts) Eimskip will call.
Regency (CSXT, Massachusetts) Switching noise.
Specialty Minerals (Pan Am, Massachusetts) Scenic railroad coming.

**PEOPLE, EVENTS**

Marie Angelini, who claims to remain under 55, will retire as general counsel at Providence & Worcester Railroad in April. My thanks to Marie as a wonderful correspondent, yet one who did not stray beyond her brief to provide information in the best interests of her railroad.

**Charlie Rennick.** current assistant general counsel, will succeed her.
Atlantic Northeast Rails & Ports
162 Main Street  Yarmouth, Maine 04096
Vox 207-846-3549   Fax 866-484-4490
Chalmers (Chop) Hardenbergh, publisher and editor
editor@atlanticnortheast.com  
www.atlanticnortheast.com

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eastern Québec, as well as the government
environment they function within. Coverage includes
passenger rail and ships when relevant to freight
operations.

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Stories not updated for the issue are noted with
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updated stories (those without an asterisk).

Two asterisks indicate the story is updated with
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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 unto itself.’

FORMAL E-ISSUE