**ATLANTIC NORTHEAST**

**RAILS & PORTS**

operating railroads + ports, intermodal facilities, and government environment

Formal issue 13#04A 16 April 2013

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

**REGIONAL**

Crude moves: Seemingly fewer unit trains.

NEW YORK

VRS: New customer Walloomsac has moved nine cars of scrap.*

Albany: Upstate Shredding will start exporting scrap through the port.*

QUÉBEC

[No report.]

CONNECTICUT

[No report.]

MAINE

Maine crude: Crude by rail should move safely, not interfering with Pan Am service to mills.

Pan Am: 1st Eimskip intermodal move, by Sprague.


Pan Am: Bridge strike not interfere with Navy.*

Searsport: DCP withdrawing Corps permits.

**MASSACHUSETTS**

GU: Pleads to federal court for a lifting of the order against opening the propane facility in Grafton.*

NEW HAMPSHIRE

MBRX: Governor and Attorney General stonewall.

Pan Am/NS: Hydro to replace coal?

**RHODE ISLAND**

PW: New siding in Lonsdale can hold unit train.*

**VERMONT**

[No report.]

**MARITIMES**

CN: How rail serves the Imperial refinery. Map.

CN: Details on auto terminal in Moncton and Transport LaBerge.**

NBSR: Unit train of woodchips for Flakeboard, Irving.

Saint John: 1Q13 numbers show improvement.

CBNS: Hydro will begin to shut coal plants.

Sydney: No coal transshipment until at least 2015.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

**EDITORIAL**

MBRX: Guest editorial from Peter Leishman asking the cause of Pan Am behavior.

**FROM THEPUBLISHER**

NEARS! EXPO!

Tomorrow I depart for the New England Rail Expo in Worcester, and then later 26-26 April to Baltimore for NEARS. *Both very worthwhile!*

Both have seminars and great networking.

- Chop Hardenbergh Next formal issue 30 April.

Common abbreviation

REGIONAL

CRUDE MOVES

FOR IRVING REFINERY, SAINT JOHN
This is only a list of reported trains, not a list of all which ran.

CN: Two loaded trains in late March. One empty on 10 April reported. {RailsNB e-list}

Pan Am: On 24 March empty train led by four BNSF locomotives east through Voorheesville, New York. {NERAILphotoarchive}

One load, 66 cars, to Mattawamkeag on 5 April. {RailsNB e-list} On 1 April Pan Am issued a Bulletin Order removing the six-axle restriction between Winn (next to Mattawamkeag) and Waterworks (near Bangor) which was imposed following the derailment [see 13#03A]. {text of Bulletin Order}

MMA: Two loaded trains in late March. {RailsNB e-list} One loaded oil train on 10 April. {MMA-rail e-list}

NEW YORK

VRS: MORE ON NEW CUSTOMER*
5 April, Walloomsac. WALLOOMSAC RECYCLING HAS SENT OUT NINE CARS OF PREPARED STEEL via its new spur. Kayla Brownell, a principal of Walloomsac which is related to Brownell's Auto Wrecking Services, said the gondolas contained pieces of steel under five feet in length.

Walloomsac will “soon” originate crushed cars [see 12#06A]. {ANR&P discussion}

ALBANY: NEW SCRAP OPERATION*
28 March. Upstate Shredding has signed a lease with the Port of Albany to run a scrap metal operation on 18 acres at the port using roughly 10 acres of former Cargill Deicing space, plus five vacant acres and three acres used by a waste management firm. Signed on 7 December, it covers 15 years with options for two five-year extensions. {Recycling Today 17.Dec.12}

The lease required a City Zoning Board of Appeals special use permit and approval of three buildings on site, which was granted.

Upstate will pay $22,500/month and export a minimum of 120,000 tons/year of export. Rents coupled with dockage fees translate into total revenues in the ballpark of $100,000 per year, said Rich Hendrick, Port of Albany general manager. This will potentially make the value of the deal $6.8 million over the 20-year term.

Upstate will have rail access via CSXT and CP, though the Albany Port Railroad (jointly owned by the Class Is) will do the switching. {Pam Allen in Albany Business Review 14.Dec.12; Hendrick e-mail to ANR&P correspondent Laurel Rafferty 5.Mar.13}

More on the facility and transportation
Upstate plans to open in June on the site a $15 million shipping facility with a large scrap yard, and in the future a shredder, said Upstate Shredding owner Adam Weitsman. It will demolish one building, and construct three: a scale house, covered storage facility, and a building for fluids removal. Demolition started in early January.

Per Weitsman, processed and unprocessed material will move inbound and outbound by truck (radius of 180 miles from Albany), and by rail, a longer distance. The Albany site also will receive material from yards other than Upstate's, bought on the spot market. Vessels will transport material to such global export destinations as Turkey, India, and China. Upstate Shredding will hire stevedoring services as needed.

Sensitive to appearance, Weitsman avoids storage in ugly piles. Upstate moves it out immediately, avoiding the storage issue (though the new contract does not oblige it to do so). Upstate Shredding “operates
seven days/week, pays the highest process, has no debt, and aims to keep expanding.” {Rafferty discussion with Weitsman 28.Mar.13; Recycling Today 17.Dec.12} 

Cargill stays
In January Hendrick said the Port offered Cargill a different site, but Upstate Shredding agreed to sublease five of its 18 acres to Cargill, beginning 1 April.

Cargill also stores salt at another site in the public port at 100 Smith Boulevard, leased from the Port by Capital District Salt, which handles the salt. {Hendrick e-mails to Rafferty 4 Feb. + 5 and 6.Apr.13} 

MORE ON UPSTATE SHREDDING
Headquartered in Owego, New York, Upstate Shredding has 12 current or soon-to-open operations, ten in New York and two in Pennsylvania, according Adam Weitsman, Upstate Shredding CEO.

In New York, Upstate operate two sites in Owego (one wholesale, one retail), and one each in Binghamton, Liberty, Ithaca, Rochester, and Jamestown. Between early to late summer, Weitsman anticipates that facilities will open in Albany, Buffalo, and Syracuse. Pennsylvania locations are Scranton and New Castle.

Owego is the only existing facility with a shredder. Four New York locations have rail access: Owego, served by Owego & Harford* and NS; Syracuse by CSX; Rochester by three lines, and now Albany. {ANR&P discussion with Rafferty 28.Mar.13} 

* From the railroad website: ‘The Owego and Harford Railway, Inc (OHRY) is a 26.7-mile railroad between Owego, New York and Harford Mills, New York. The OHRY leases the property on a long-term lease from the owner, Tioga County Industrial Development Agency (TCIDA). OHRY enjoys an excellent relationship with TCIDA that has resulted in significant growth in traffic and economic development in the area.

‘The OHRY has aggressively recruited new customers since assuming the operation in 1992. Traffic has grown from 350 carloads in the first year to nearly 2,000 annual carloads by 2008. Most recently OHRY created two large transload facilities in Owego, New York that will each produce over 2000 carloads of fracture sand annually beginning in 2010.

‘The OHRY utilizes 12 employees to operate the railroad and maintain its track and equipment. OHRY utilizes four locomotives and various track equipment. The OHRY interchanges with Norfolk Southern Railway and the Delaware & Hudson Railway (CP Rail) at Owego.

‘The OHRY shares administrative offices and staff with the Luzerne and Susquehanna Railway Company, the Lehigh Railway, LLC and the Meridian Southern Railway, LLC in Owego, New York. The administrative functions performed include customer service, accounting, car hire accounting, interchange, car fleet management, regulatory compliance, human resources and government relations.’

Former Sims Metal Management, now Rensselaer?
Sims Metal Management leased a 12-acre parcel adjacent to the 18-acre Upstate Shredding site until 31 March 2013.

According to Hendrick, “the bid received for the site being considered by the Port Commission is from Rensselaer Iron and Steel, a tenant on the Rensselaer side of the Terminals, which currently exports an average of 250,000 tons of scrap a year. At this time the Board of Commissioners is reviewing the bid. They meet on April 17 and may have direction at that time.” {Hendrick e-mail to Rafferty 4.Mar.13} 

MAINE

MAINE: ENERGY TRANSPORT
4 April, Augusta. MAINE CAN LEAD ON TRANSPORTING OIL SAFELY, said Patrick Woodcock, director of the Governor's Office of Energy to a seminar here. Entitled 'Maine and Canada's Changing Energy Landscape', it was organized by the Maine International Trade Center. “Oil will find a way to market, whether
by truck, rail, or pipeline. The better question is, how do we manage transportation?”

Maritime transport, such as the oil from the North Sea, off-shore, and Venezuela into Portland, is “not a risk-free oil transportation” either. “We need to elevate the conversation in Maine,” said Woodcock. “We can lead on transporting oil safely, and show the world that we are going to do better.”

Asked about the Mattawamkeag derailment involving crude [see 13#03A], Woodcock said the Department of Environmental Protection is working on it.

**Crude by rail affecting forest products?**

“We have learned from the forest products industry that they are seeing constraints on the rail system” because of the crude traffic, reported Woodcock.

Not so, said a source familiar with operations at one of the Pan Am-served paper mills. He reported that his mill is very satisfied with Pan Am’s service. "They have consistently improved and are meeting the mill's expectations." {e-mail to ANR&P 5.Apr.13}

A call to Great Northern Paper in Millinocket, served by MMA, was not returned by deadline.

**PAN AM: FIRST PORTLAND INTERMODAL**

11 April, Portland. **CRANES LOADED EMPTY EIMSKIP TOFC** at Merrill's Marine Terminal in Portland. Jim Theriault, Sprague vice-president marketing and materials handling, supplied the photos. Pan Am will move the empty dry boxes to an unspecified location for loading and return to Portland.

The boxes reached the International Marine Terminal weeks ago. The intermodal cars came into Rigby Yard the previous week, according to rail observers.

**When will the track go directly to the International Marine Terminal?**

At the announcement of the Portland Eimskip call, Pan Am President David Fink said “spring or summer” would see the construction of the track to the IMT [see 13#02A]. MDOT rail administrator Nate Moulton wrote on 12 April: 'Nothing new to report at this point.' {e-mail to ANR&P}

In early April Pan Am improved the track to the propane facility, by replacing ties. {ANR&P coverage}

**PORTLAND: EIMSKIP SECOND CALL**

11 April. **THE SHIPPING LINE MADE ITS SECOND CALL, AND DROPPED EVERETT**, at least for the moment. Future calls will occur on 22 April, 4 May, 15 May, and so forth. {Eimskip website}

**Preferred wonders if it could receive from Portland**

Brian Beattie, executive vice president of sales at Preferred Freezer Services in Westfield, Massachusetts [which operates the freezer in Everett which has lost the Eimskip call – see 13#03A], said that Portland will have to step up its game to compete with Boston's cold storage. Portland now lacks the critical mass of trade needed to sustain a facility. “It's not clear whether [Eimskip's arrival] will change the overall market capacity, so it's a risk to invest in the market at this point.
Instead, he wonders how Preferred might lure Eimskip's cargo of frozen fish from Portland to cold storage facilities in Massachusetts. "We are looking at [how] their products would be transported from Maine to one of our locations," most likely in Everett, said Beattie.

Preferred rival Pioneer Cold is already talking to Eimskip [see 13#03A].

More on cold storage
Eimskip is working with the Maine Port Authority to install 150 refrigerated container plugs to power the cooling equipment while the refrigerated container is grounded at the site. The $300,000 investment, paid by MDOT and MPA, will “enable Eimskip to undertake a full discharge of the vessel in order to minimize the time the vessel is in port,” according to John Henshaw, port authority executive director. “This additional capacity will complement cold storage capacity for our region, but will not replace it.”

Americold will invest
Given that an estimated 35% of Eimskip's imports are frozen seafood, Americold [the only cold-storage facility in Portland] “has indicated that they will invest in their current cold storage to attract business of the Eimskip vessel," according to Larus Isfeld, Eimskip USA's managing director. But the size and scale of the upgrade are unknown. {Matt Dodge in MaineBiz 15.Apr.13}

PAN AM: BRIDGE STRIKE
5 April, Kittery. **THE CLOSING OF THE RAIL BRIDGE ACROSS THE PISCATAQUA HERE** will not affect rail shipments to or from the US Navy shipyard, Pan Am's only customer on the line. Debbie White,
public affairs officer for the Portsmouth Naval Shipyard, wrote: 'Portsmouth Naval Shipyard does not have any shipments scheduled during the next 30 days that would require the use of the rail under the Sarah Long Bridge.' {e-mail to ANR&P}

**Bridge strike**

On 1 April MV *Harbour Feature* took on a load of tallow oil and yellow grease at the Sprague Terminal in Newington. It then stopped at the New Hampshire State Pier to load fuel for the engine. US Coast Guard Lieutenant Nick Barrow described the cargo as 11,500 metric tons of tallow oil and 3,600 metric tons of yellow grease as cargo. It also had 2,019 metric tons of its own fuel oil and 54 metric tons of diesel on board.

While at the pier, moored with its own lines, the ship drifted away upriver with the tide and slammed into the Sarah Long bridge (which carries vehicular traffic as well as the branch rail) broadside. {Jason Schreiber in Manchester *Union Leader* 1.Apr.13}

By 2 April, authorities agreed that the damage would require closing the bridge for two to four weeks. {AP in Maine *Sun-Journal* 2.Apr.13}

**SEARSPORT: DCP FOLLOWUP**

14 April. *DCP IS IN THE PROCESS OF HANDLING BACK ITS ARMY CORPS PERMITS*, reported Steve Hinchman, attorney for opponents of the proposed propane tank, Thanks But No Tank. The Army Corps of Engineers related that to him in recent conversations.

TBNT is 'working to resolve the three outstanding legal cases, two against the Maine DEP and one against the Maine Fuel Board,' which it filed in its effort to stop the tank.

**Denouement**

The Searsport Planning Board will meet on 17 April to formally vote to deny the project application [see 13#03B].

**Similar opposition in Finger Lakes**

TBNT representatives conducted a conference call with representatives of Gas Free Seneca, who 'face an eerily similar project where a large LPG storage facility is proposed for abandoned salt caverns in the Finger Lakes region of New York State. We were able to offer ideas, angles for them to pursue, and encouragement.' {e-mail from Ken Agabian, TBNT spokesperson}

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**MASSACHUSETTS**

**GU: REQUEST FOR RULING***

29 March, Worcester. *THE RAILROAD PLEADED THAT PROPANE CONTRACTING SEASON WAS PASSING* and it was losing the opportunity to use its proposed Grafton facility for the coming year, in a motion in federal court this day requesting an expediting ruling by the judge. On 11 February, following a hearing of several days, the judge took the matter under advisement [meaning, unfortunately in American jurisprudence, the judge can take as long as he jolly well wants to decide – *editor*].

Eric Moffett, vice-president of Business Development for GU, supplied information in an affidavit (his quotes are marked with *...*) in the GU motion, which stated:

'More importantly, *the propane gas industry runs in cycles. While the winter months are the busiest months in terms of the delivery of propane to retail customers, the process by which propane suppliers and retailers purchase propane “futures” begins in April.*

'In order for propane retailers to be able to provide commercial and residential propane consumers with supply contracts, wholesalers must make commitments to purchase propane on the commodity “futures” market starting in April. Once the price of propane futures contracts is known, then the suppliers share that with the
retailers, who in turn offer their own contracts to their retail customers.*

*An important factor in determining the retail cost of propane is the cost of transportation of the propane from supplier to wholesaler to retailer.

'Obviously, whether that propane is being supplied to an existing point of delivery (for example the Selkirk, New York pipeline facility), or the proposed transloading facility in North Grafton, will have an important impact on the price the wholesalers will quote to their retail customers. The existing order prohibiting completion of the propane transloading facility deprives the Railroad of the opportunity to market this facility during this very important April contracting period.'

**Railroad could reconfigure facility**

In a footnote, GU stated:

'While the operation of the propane transloading facility as currently proposed ultimately rests on the decision of this Court, even if this Court were to determine that certain aspects of the involvement of other entities rendered this facility outside the scope of transportation by a rail carrier, nothing precludes the Railroad from restructuring its proposed operation to accommodate any concerns the Court may have. Indeed this was successfully accomplished in Borough of Riverdale – Petition for Declaratory Order, Surface Transportation Board, August 3, 2010 at pp. 4-6.'

**Irreparable harm**

'*The publicity attendant to this lawsuit, along with a general awareness within the industry of the planned facility, has generated a substantial interest in potential customers wishing to use the Railroad’s transloading facility. The Railroad’s inability to give these prospects a date when the facility will be completed has caused these prospects to look elsewhere for this product.*

'The Railroad may never be able to prove what business it would have had, had the Town not sought to enjoin it from completing the terminal. This is precisely the type of irreparable harm that has warranted injunctive relief in other cases.'

**Request**

'The Railroad respectfully requests that the Court act on its motion for preliminary injunction, terminate the temporary restraining order to the extent that order remains in effect, and permit the Railroad to complete construction of the transloading facility.' {filing in 4:12-cv-40164}

**GRAFTON RESPONSE**

In its filing on 5 April, the Town argued that the judge had held a full bench trial on the merits of the issue, making a lifting of the temporary restraining order inappropriate. [The Town's argument makes no legal sense, since the February hearing was considering a motion for a preliminary injunction – editor.] Moreover, GU was violating the restraining order by receiving materials at the site.

GU agreed that materials were delivered by LPG Ventures, but not the propane tanks, the main subject of the restraining order. Also, neither it nor Spicer Gas, a party to the terminal operation, had requested the delivery. {filing in 4:12-cv-40164}

**NEW HAMPSHIRE**

**MBRX: STILL NOTHING**

15 April, Concord. *NHDOT AND THE ATTORNEY GENERAL HAVE STILL NOT DECIDED WHO MAY OPERATE THE HILLSBORO BRANCH.* David Hilts, the assistant attorney general in charge of the decision [see ???], departed on 14 March. His successor Karen Schlitzer responded to MBRX principal Peter Leishman's inquiry about the status of the RFP on 9 April: 'In accordance with protecting the integrity of the public bidding process, pursuant to RSA 21-I:13-a, II, neither I nor the Department is at liberty to disclose such information at
this time.' {e-mails to Leishman 5 & 9.Apr.13} [See Leishman guest editorial pointing out that a year has passed since the date on which the state promised a decision.]

**Perhaps the governor?**

In an effort to get through the Kafka-esque wall of obfuscation the New Hampshire authorities have inexplicably created around a simple RFP, your editor wrote to Marc Goldberg, Governor Maggie Hassan's spokesperson. Alas, the governor, though newly-elected and one would assume not beholden to whatever dark forces are operating in Concord, would not speak to me. Goldberg wrote:

'I am unfortunately not able to make an interview work, but New Hampshire’s transportation infrastructure, including rail, is an important issue for the Governor, as evidenced by her support for the study of the Capital Corridor project evaluating the feasibility of extending rail service from Boston to the Nashua, Manchester, Concord corridor.' {e-mail to ANR&P 5.Apr.13}

*Mini-editorial:* Perhaps the authorities are simply too afraid to make a decision adverse to Pan Am, and thereby jeopardize the future Capitol-Corridor passenger service along Pan Am tracks?

**HYDRO REPLACES COAL #2 - MAYBE**

4 April, Augusta. *HYDRO QUEBEC TOLD A US-CANADA AU迪ENCE THAT A NEW HAMPSHIRE COAL PLANT MIGHT CLOSE,* at the 'Maine and Canada's Changing Energy Landscape' conference here, sponsored by the Maine International Trade Center. Carolyn O'Connor, Hydro Quebec's US branch director of external affairs, described the company's 41,000MW of generation (98% hydro) which creates 175 Twh (terawatt-hours) of energy storage and 20,000 miles of transmission. For comparison, the entire state of New York uses 150Twh per year. It exported 30Twh in 2012 to four markets: Ontario, New York, New England, and the Maritimes.

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*Valley Falls, Rhode Island.* PW locomotives switching out 30 loads of limestone enroute from the Port of Providence to PSNH's Bow power plant, 22 March 2013. {Dave Pothier}
Hydro Quebec has proposed two major high-voltage transmission lines for export: one into New York, the other into New Hampshire. Since 2011, Hydro-Quebec and two U.S. partners, Northeast Utilities and NSTAR, have pushed a 180-mile line called Northern Pass through New Hampshire to add up to 1200MW to the regional grid. But landowners and conservation groups that oppose the $1 billion project's route through the White Mountain National Forest have wrestled the plan to a standstill.

O'Connor's presentation noted that low natural gas prices make exporting hydropower challenging. To date, efforts to fund the cost of transmission for economic or public policy purposes have not been successful in New England.

End the coal plant?
O'Connor noted that different from Nova Scotia, “there's no way to force plants out” in a coordinated plan. Northern Pass is “not linked to the future of any facility. It's fair to say that we will see [coal plant] retirements in the next [three to six] years, but Hydro Quebec has no specific agenda to push them out of the market.”

Bow rail moves
The Public Service of New Hampshire coal plant in Bow continues to function. On 9 April NS locomotives powered a loaded unit coal train across Massachusetts and into New Hampshire [see photo]. And PSNH continues to use its new scrubber employing imported limestone over Providence, railed to Bow.
RHODE ISLAND

PW: NEW SIDING*

5 April, Cumberland. **P&W IS BUILDING A 7,000-FOOT RAIL SIDING IN THE IDENTICAL LOCATION OF A FORMER SECOND TRACK HERE**, to furnish expanded capacity. 'Survey and grading work are complete. Materials are being received and P&W expects to begin laying out rail anytime after April 8 with the siding expected to be ready to place in service in early fall 2013.' No state or other grants or loans are being utilized on this project, wrote spokesperson Marie Angelini.

'P&W is a single track RR from Providence to Worcester with limited runaround capacity (e.g., Valley Falls Yard, which holds not more than 50 cars) presently. Construction of the 7,000’ siding in Cumberland will allow P&W to store an entire unit train as well as positioning other trains for movement on its system. This improvement will ease congestion and facilitate train movement.' {e-mails to ANR&P}

MARITIMES

CN: IMPERIAL REFINERY

2 April, Dartmouth. **SOME CRUDE ARRIVES BY RAIL HERE**, according to Imperial spokesperson Merle MacIsaac, though the refinery receives most of its crude by ship and has access to a wide variety of crudes. A decline in sale of petroleum products has meant a reduction in the number of ships arriving [see 12#12B].

Imperial has made modifications to its rail accepting facilities (oil racks) but MacIsaac would not elaborate.

He also would not say where the rail crude came from or if the refinery was using Bakken crude. 'Details related to specific types of crudes in the refinery processes is proprietary information. Details about our various

![Image](image-url)
shipping arrangements or specific volumes of crude purchased by the refinery are also confidential.' {MacIsaac in email to ANR&P correspondent Tom Peters 9.Apr.13}

The refinery, capacity 89,000 barrels a day, produces a wide range of petroleum products, including gasoline, aviation fuel, diesel, home heating fuel, marine fuel, heavy fuel oil and asphalt. Most of these products are sold to customers in the Atlantic provinces and eastern Quebec through a network of agents and distributors. {Imperial website} ExxonMobil owns 69.6% of Imperial.

Fate of the refinery and gasoline prices; pipeline?
In its 4Q12 report to shareholders, Imperial wrote: 'The marketing effort and evaluation of alternative options for the Dartmouth refinery and related terminals continues. Given that Imperial has received expressions of
interest from multiple potential buyers, decision timing could extend beyond the first quarter and further into 2013.' {text of report}

“We’re more interested in coming up with the right decision, than in reaching the decision before any particular date on the calendar,” said spokesperson Pius Rolheiser.

Roger McKnight, senior petroleum adviser for Oshawa-based En-Pro International, said in February that the loss of the Shell refinery in Montreal in September 2011 pushed the spread on wholesale prices between that city and Toronto up by about five cents per litre.

“There has been talk of a west to east coast pipeline and if this proceeds there might be some hope for the refinery....Imperial may be dancing around this concept and waiting to see how the reverse pipeline proposal might affect plans for the Dartmouth refinery.”

**No more crude refining**

Some sort of re-purposing of the Dartmouth refinery may occur, McKnight said, but he doubted it would refine crude, since the plant could not meet new federal emission standards without a major and very expensive refit. Imperial has seen potential to convert the refinery to a tank farm. {Bill Power in Halifax Chronicle Herald 4.Feb.13}

**Refinery rail moves**

Rail observers indicate that in recent weeks butane has been railed into the refinery as well as a load of catalyst and a load of caustic soda. Butane is mixed with gasoline in the colder weather. Two or three loads of sulphur have emerged from the refinery. {AtlanticRails e-list 3.Apr.13}

The butane and propane racks [see map and photo] have five car spots, the sulphur loadout one. Imperial has installed a crude unloading facility with two spurs totalling perhaps 20 cars; it has received little use. The catalyst rack is located near the crude unloading racks. {Atlantic Rails e-list 3 & 11.Apr.13}

While Imperial declines to describe oil traffic, one may get some sense of its growth comparing the Bing and Google aerial photos (from their respective websites) with the 5 April on-site photo. The Bing birdseye photo shows one tank car at the crude racks, Google zero, but every shot shows six at the butane-sulphur site. {editor}

**CN: MONCTON AUTOPORT**

25 March, Moncton. **CN OPERATES AN AUTO TERMINAL HERE**, in addition to Halifax. With the NBSR terminal in Saint John, the Maritimes have three. In 2012, Moncton handled 17,842 vehicles. {e-mail from CN's Mark Hallman}

That compares with 190,000 vehicles in Halifax and space for 7,000 {smartcity.com (sponsored by the Greater Halifax Partnership) 20.Oct.12}. In 2006 80,000 to 90,000 were imported [07#01A]. In 2004, Autoport reported around 100,000 vehicles, a large fraction of which are imported [04#02A].

In Saint John, the NBSR-operated auto terminal, serving only Chrysler, handles about the same number as Moncton [see 12#08B].

**Which autos go where**

According to Samuel LeBlanc, terminal manager for auto transporting firm Transport LaBerge [see box], Saint John receives Chrysler production, while Ford, GM, and Toyota are all handled at both Moncton and Halifax.

**Moncton transporters**

Some years ago, Allied Automotive Services handled all autos landing in Moncton. Now, reported LeBlanc, LaBerge handles Toyota and Chrysler, while Jack Cooper (a continent-wide firm) handles General Motors products; Allied continues to handle Ford.
The “triangle”
Using Moncton as the hub, LaBerge transporters pick up Chryslers in Saint John and deliver them to all of Nova Scotia and Prince Edward Island. The empties then proceed to Halifax to load cars imported to that terminal, moving them to Moncton and as far west as Montreal.

LaBerge also delivers Toyotas from the Moncton terminal to New Brunswick dealerships. {ANR&P discussion}

Services
According to LeBlanc, individual auto transport is a major market for LaBerge, not only vehicles to and from Florida, but also delivering US autos which Canadians buy.

LeBlanc also serves the rental car companies, delivering new vehicles and picking up the rental vehicles which have travelled above 20,000 kilometres for delivery to used car markets in Montreal and elsewhere. {ANR&P discussion 25.Mar.13}

A regional company
LaBerge has grown from its first truck to over 100 transporters. It now serves Toronto, Montreal, Quebec City, and Moncton, along with its birthplace of Mont-Saint-Gregoire. {transportlaberge.com website}

More on the terminal
Commodities: vehicles, consumer goods. 12 railcar spots. Five acres uncovered storage. {e-mail to ANR&P from CN's Mark Hallman 26.Mar.13}

NBSR: WOODCHIPS
12 April, McAdam. A UNIT WOODCHIP TRAIN SET OFF 15 TO 20 CARS, TAKING THE REMAINING 40 OR SO THROUGH TO SAINT JOHN THIS NIGHT. The McAdam cars will end up in Baileyville at Woodland Pulp, the Saint John cars probably at Irving Pulp.

What about Flakeboard?
Reportedly, the Flakeboard plant in St.Stephen receives all its woodchips from local foresters who deliver by truck. The plant uses NBSR to receive chemicals to make its own resin at the Woodchem plant bought by Flakeboard, and to send some flakeboard outbound using a spur into the main building with four or five car spots [see 06#10A]. {RailsNB e-list}

SAINT JOHN: 1Q13 NUMBERS
12 April. PORT SAINT JOHN REPORTS 'MAJOR INCREASES IN TONNAGE IN FOUR AREAS' in a press release this day.

Liquid bulk: - 0.00% (from 6,899,975 to 6,886,591 metric tonnes**
Dry bulk: +134% (from 94,274 to 221,048 metric tonnes)
of which potash + 141% to 277,249 metric tonnes.
Forest products +32% of which woodpulp* +71% from 13,136 tonnes to 22,517 tonnes.
Containers: +72% (from 63,984 to 110,128 metric tonnes)*
Containers (TEUs): +52% (from 10,978 to 16,645 TEUs)
Vessels Calls: +2% (from 181 to 185 vessels)

* When MSC announced it would begin calling weekly, J.D. Irving said its pulp mill in West Saint John exported to Brazil. But the 71% rise is mostly breakbulk.

** Besides the crude to Irving’s refinery, the port receives LNG, molasses, and occasionally fish oil,

{Port press release; e-mail from Port Authority’s Paula Small 12.Apr.13}

**Insight into refinery**

Translating the tonnage into barrels at 7 barrels, and assuming 6 million barrels of the nearly 7 million was delivered to or exported from Irving, means the refinery moved 42 million barrels in three months, or 14 million barrels per month. Its capacity of refining crude at 300,000 barrels per day [see ANR&P 13#03B], or 9 million barrels per month of 30 days, means that the refinery probably consumes 9 million barrel of crude each month [ignoring the relatively small amount inbound by rail – see 13#03B]. One might the conclude that of the 14 million barrels total moved in and out of Saint John, 5 million move out on ships for points along the East coast.

{editor}

**HYDRO REPLACES COAL #1**

4 April, Augusta. EMERA TOLD A US-CANADA AUDIENCE THAT NOVA SCOTIA COAL PLANTS WOULD CLOSE, at the 'Maine and Canada's Changing Energy Landscape' conference here, sponsored by the Maine International Trade Center. Alan Richardson, vice-president for sustainability at Bangor Hydro, described the hydropower project in Labrador [see illustration].

Bangor Hydro parent Emera is partnered with Nalcor Energy, Newfoundland and Labrador’s Crown-owned utility, on the Muskrat Falls venture. The $7.7 billion megaproject is slated to begin operating in late 2017.

**Emission reduction requirements**

Nova Scotia requires reductions in emissions [see 09#09A]:

• By 2011, 15% renewable
• By 2013, 20% renewable
• By 2015, 25% renewable
• By 2020, target of 40% renewable
• By 2020, 25% reduction in carbon dioxide emissions

This means that the primary supplier of electricity to the province, Nova Scotia Power, must diverge from fossil fuels. The Muskrat Falls hydro project will do that.
Via the proposed links, the power generated in Labrador will reach Nova Scotia.

**Coal-fired plants: rail and port impact**

In 2009, when the limits were announced, this newsletter said: 'NSPI has four plants which burn coal, all imported. The coal for Point Aconi arrives in Sydney and is trucked there. That for Lingan also arrives in Sydney and is moved by the Sydney Coal Railway, owned by Logistec [see 09#03A].

'Coal for the Trenton and Point Tupper plants arrives at NSPI’s new pier in the Strait of Canso, operated by Savage [see 05#11A]. CBNS moves the coal to Trenton.

'A 25% reduction could be achieved by shutting one plant, or by a combination of reduction measures. The reduction could affect Sydney Harbor, SCR, and CBNS.'  {editor}'

**NSP current plans**

In reports filed in January to the province's Utility and Review Board, NSP suggested it could shut one steam-powered generator at the Lingan station by the end of 2014, and another in 2019. These two only operate seasonally.

NSP spokesperson Neera Ritcey said, “We've been in the process of transforming our fleet to lower our dependence on coal.” Federal regulations require that six of Nova Scotia's eight coal-powered generators be eliminated by 2030.  {CBC News 23.Jan.13}
No local coal
Despite the existence of coal in Cape Breton, plans to reopen the Donkin mine [see 13#03B], as well as plans to transship coal at Sydney [see other article], NSP relies entirely on imported coal.

One reason: local coal does not burn cleanly. Difficulties were revealed in a hearing before the Utilities and Review Board in October 2012. A consultant to NSP from the Liberty Consulting Group, Doug Spangenberg, testified that the plant’s operating issues should have become apparent in July 2010, and that NSP, not ratepayers, should bear the extra cost.

In July 2010, Lingan began burning more of the cheaper coal from Cape Breton's Prince Mine, due to a change in mercury-emission rules. Liberty said Prince coal had a higher ash content, which affected Lingan’s efficiency ratings. Jack Marshall, NSP lawyer, said the quality of coal coming from the mine deteriorated later in the year. “The ash content increased as the year went on.” {Joann Alberstat in Halifax Chronicle Herald 30.Oct.12}

SYDNEY: COAL LATER*
8 April. TRANSLOADING COAL THROUGH THE PORT OF SYDNEY WON’T HAPPEN UNTIL 2015, if then, said Provincial Energy Ventures’ Jim Wooder. PEV plans to spend $75 million to construct a transload facility bringing eastern U.S. coal through the Great Lakes and St. Lawrence Seaway to stockpile in Sydney and reload on cape-sized vessels for export [see 12#05B]. The original plan was to have temporary facilities in place and coal moving sometime this year [see 12#01A].

Design options for dredging
Wooder said it has been a tough winter and the disposal field for the material to be dredged from the wharf area is about 85% complete. The concept design for the new wharf and facilities is nearing completion but “we have various dock arrangements under consideration which has changed the dredge footprint. So we had to go back to the dredge contractor and ask for some pricing on the different options because the (dredged) volume changes substantially. It could range from 100,000 to 200,000 plus cubic metres. Once we have the project design and cost estimates complete, those recommendations will be made (to PEV) and I expect to have a decision on the project in June.”

Wooder said PEV will make the final decision on moving forward with the project. “Any major capital project in today’s market is challenging.” He said he would not speculate on PEV’s decision “but we are pushing hard. We are fully engaged, we have got a good project and it will require a firm cost estimate and a willing owner.”

Next step
Once the project gets the final approval, “we expect in June we will go straight into detailed design and start actually constructing some of the wharf modifications, etc. By the end of this year we will begin the build out leading up to commissioning in Q4 of 2014 and Q1 of 2015.” Wooder expects the dredging to begin later this year.

The transload facility will require various types of coal-moving and loading equipment and that will be ordered after the project is sanctioned.

Nav aids issue
A further concern for PEV is the requirement of new navigational aids into the harbour needed to accommodate cape-sized vessels [see 12#08B]. “We have a design from coast guard and it has been vetted by the port operators, port companies, and the Atlantic Pilotage Authority.”

Wooder said PEV would like to see a new nav aids system in place by the spring of 2015 “which means it really needs to be commissioned in the fall of 2014.” Estimated cost of the nav aids system is $1.5 million and Wooder is looking at the coast guard to pay.

“It is clear whose jurisdiction it is and there is always pressure on budgets and timing. The PEV project
represents a significant opportunity for the Port of Sydney so I can’t imagine stakeholders who have invested in the (harbour channel) dredging [see 10#12A] are going to fall down at the goal line.” {Wooder in discussions with ANR&P correspondent Tom Peters 8.Apr.13}

**RAIL FREIGHT FACILITIES**

Described in this issue.
Autoport Moncton (CN, New Brunswick) Details.
Flakeboard (NBSR, New Brunswick) Details.
GU propane (GU, Massachusetts) GU pleads with court.
Imperial (CN, Nova Scotia) Rail used, may sell.
Irving Oil (NBSR, Brunswick) Unit trains slacking off?
NSPI (CBNS, Nova Scotia) Hydro will close plants.
PSNH (Pan Am, New Hampshire) Hydro replace coal?
Sprague (Pan Am, Maine) First intermodal move.
Upstate Shredding (CP, CSXT, New York) To open yard at Port of Albany
US Navy (Pan Am, Maine) No blockage because of bridge strike.
Walloomsac (VRS, New York) Started sending out cars.
GUEST EDITORIAL: IS PAN AM OBSESSED WITH MBRX?

Peter Leishman, owner and operate of the Milford-Bennington Railroad (MBRX), writes this guest editorial. MBRX operates over a 18.61-mile state-owned section of New Hampshire track called the 'Hillsboro Branch' and over a three-mile section of Pan Am track.

In 1983, the Boston & Maine Corporation, a subsidiary of Guilford Transportation (since renamed Pan Am), identified, as a possible candidate for abandonment, the 24.19 mile Milford to Bennington section of the Hillsboro Branch, which begins in Nashua, New Hampshire and ends in Bennington. In 1985, Guilford filed to abandon only the Wilton to Bennington section, an eighteen-mile section serving Monadnock Paper Mills in Bennington.

Monadnock fought the abandonment. It wanted rail service enough that in 1982, it provided the private funds necessary to replace a 250’ long bridge in Lyndeborough. With the replacement of the Lyndeborough bridge, the only weight restriction on the Hillsboro Branch was eliminated. However, in 1986 the Interstate Commerce Commission (ICC) approved Pan Am's abandonment effective on June 30, 1986.

During the abandonment proceeding, Monadnock Paper Mills and I communicated with several Pan Am officials including David Andrew Fink and Syd Culliford concerning a proposal to operate the Milford to Bennington section of the Hillsboro Branch. Their responses were puzzling. Mr. Fink said in part: “... It is our further concern that the proposal would be detrimental to the remaining portion of the line.” The portion of the line which would remain operated by Pan Am is the Milford to Nashua section, 12 miles. Mr. Culliford stated: “...It is our opinion that a Milford-Bennington segmentation of the line would not provide any rational opportunity for profitable operation.” MBRX has shown otherwise, operating successfully for twenty years.

In 1987, after a lengthy hearing process before the New Hampshire Department of Transportation to approve the incorporation of the Milford-Bennington Railroad Co., Inc. (“MBRX”) the State found the creation of MBRX to be in the public good and authorized the lease of the entire 34.97 miles of the Hillsboro Branch, including, if Pan Am agreed, its remaining Nashua-Milford section. Soon thereafter the ICC recognized MBRX as a common carrier and in 1989 the New Hampshire Department of Transportation purchased, with the financial help of Monadnock Paper Mills, the 18.61 miles of track from Wilton to Bennington. MBRX entered into a five-year operating agreement with the state to re-establish service on this section. In 1992, MBRX upgraded the active section of track to a better than FRA Class 2 condition.

Over three years from 1989 to 1992, MBRX asked the ICC to require Pan Am to grant access for MBRX to Milford. MBRX proposed to serve its only customer, Granite State Concrete by moving rock from its quarry in Wilton to its processing plant in Milford. Pan Am and MBRX finally agreed to a trackage rights agreement between Wilton and Milford. The ICC recognized this trackage rights agreement on July 9, 1992.

The trackage rights agreement dispute

1 Father of current Pan Am President David Armstrong Fink
2 Father of current Pan Am General Counsel Rob Culliford
3 See map in 09#07B.
The terms of the trackage rights agreement were terminated by Guilford in 1993 after a dispute erupted over a derailment on Election Day in 1992. However, MBRX continues to abide by the terms in good faith, whether the agreement was terminated unilaterally in 1993 or whether it expired in 2004 by its own terms. MBRX has attempted to negotiate a new trackage rights agreement with Pan Am to no avail. The only agreement that Pan Am will entertain would require MBRX to agree to an annual carload count of 5,500 loads (or 11,000 round trips) at a rate of $10.21 per car. For the last ten years, the MBRX has averaged no more than 3000 loaded cars annually.

**The hours of operation dispute**

In the spring of 2003, Pan Am placed hourly restrictions on the operations of MBRX. The restrictions were completely unreasonable as Pan Am only operated one train a week on its trackage and Granite State Concrete’s quarry in Wilton was allowed to operate by town ordinance from 6 a.m. to 6 p.m. Pan Am suggested that both railroads should operate separately over Pan Am trackage and restricted our operations on Pan Am trackage from 1 a.m. to 8 a.m. MBRX was forced to appeal to the federal Surface Transportation Board (“STB” - the successor to the ICC) for help. The unreasonable restrictions were removed during the fall of that year.

**The contract renewal dispute**

Pan Am has attacked me personally. In 2009, Mr. David Fink⁴ wrote to then Governor John Lynch stating that I used my legislative position as a state representative to keep my operating agreement with the state Department of Transportation. The fact of the matter is that the MBRX did not need a contract with the state. NHDOT knew that and I assume Mr. Fink did as well. This is not the first time officials of Pan Am have attacked elected representatives. I join a long list that includes such notables as US Senator George Mitchell and US Senator William Cohen of Maine and US Senator Patrick Leahy of Vermont. The New Hampshire Attorney General concluded there was “… no criminal conduct with respect to the handling of the MBRR contract.” as David Fink had alleged. Additionally, the attorney general’s report stated “… Attorney Culliford⁵ informed them that if the contract [to operate on the state-owned Hillsboro Branch] were not put out to bid, Pan Am would pull out of on-going negotiations relating to the Capital Corridor line.” During this period, the state and Pan Am were discussing the possibility of restoring passenger rail service between Lowell, Massachusetts and Concord, New Hampshire.

**The barred for life dispute**

Also in 2009, while the state Attorney General and the state Legislative Ethics Committee were investigating Mr. Fink’s allegations of wrongdoing, MBRX had a crossing accident. A truck ran a red traffic light and red flashing crossing lights, and was struck by an MBRX train. The accident was investigated by local and state police, state and federal railroad officials, and insurance carriers. No faults were noted concerning the shoving operation of the MBRX. In other words, MBRX was not at fault for the accident. The driver of the truck was cited and his insurance carrier paid the full costs of the accident. That didn’t stop Pan Am. They maintained that the accident was caused by MBRX. They even claimed that the shoving move used by MBRX for 17 years was not at all similar to Pan Am shoving moves. In fact, Pan Am stated to a federal court: “… In fact, Pan Am’s use of a snow plow on a locomotive on the front end of a train is not “shoving” but, rather “pulling”…” That statement is a total fabrication.

Nevertheless, Pan Am decided to ban me from operating a train on its tracks “for life.”

**The cancellation of the operating rights agreement**

In 2010, MBRX did not operate, as a result of the ban against MBRX imposed because of the crossing accident.

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⁴ The actual letters do not make clear whether Fink pere or Fink fils signed them.

⁵ Rob Culliford, Syd Culliford's son
The resulting shutdown caused the state to cancel our operating agreement since the agreement required 60 days of annual rail service. MBRX’s agreement with the state, renewed in 2009, is the only trackage agreement with such a provision in the entire state. However, the State chose not to seek, as it would have to, a proceeding against MBRX at the STB to terminate its federally-awarded operating rights. In 2011 we resumed operations.

In an effort to re-establish an operating agreement for the state-owned track, NHDOT requested proposals from any interested parties to operate the state-owned portion of the Hillsboro Branch. Yes, you guessed it, Pan Am and MBRX responded. The only shipper on the line, Granite State, continues to support MBRX as does Monadnock Paper Mills (who has contributed to bridge work and track rehabilitation) but Pan Am officials believe they can charge more per car and thus generate more revenue for the State. More than a year after requesting proposals, the state has not made a decision.

When one considers the foregoing, the inescapably obvious question is: Why would Pan Am, a 1500-mile regional rail system operating in five states, expend this kind of effort to attempt to obtain rights to a three-mile active section of state owned right of way (which it previously abandoned) to provide service to one customer, which has made it clear they won't deal with Pan Am?

There is only one answer to this question and that is that Pan Am's interest is not motivated by any rational business decision, but by personal and petty considerations. When one considers this obvious answer, it raises the final question: In light of all this, why would the State of New Hampshire even consider choosing an operator like Pan Am to be the steward of the state section of the corridor?

Peter R. Leishman\MBRX

Note: Pan Am has one customer, Hendrix Wire & Cable, on the Milford-Wilton section who receive an average of 2 cars a week. The Pan Am track is presently in an excepted condition.

Pan Am response?
An e-mail to Pan Am requesting a response to the Leishman editorial was not returned by publication deadline.

**EDITORIAL:** Very worthwhile conference twice a year!!
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