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

**REGIONAL**

*Crude by rail: Stats through Maine, train observations.*

**NW**

**NEW YORK**

**D&H**: Creel and Harrison examine it siding by siding.*

**Albany**: Crude still barged.*

**Albany**: Sims not yet replaced by Rensselaer Iron and Steel.*

**Halifax**: Shore power coming for cruise ships.

**MMA-NBSR**: Madawaska's Twin Rivers mill sold.

**CSXT-Albany**: New transload offering at Gorman terminal.*

**Oswego-CSXT**: Port seeks $1.5 million for rail rehab. Considers container service to Halifax. Box 2012 stats.*

**NY-NJ**: Coast Guard clears raising the Bayonne Bridge.* Contractors selected.*

[No report.]

**QUEBEC**

[No report.]

**CONNECTICUT**

[No report.]

**MAINE**

**MMA-NBSR**: Still waiting to close on Van Buren sub deal.*

**MMA**: May get additional rail traffic from GAC Chemical's manufacturing for Mexican customer.*

**NBSR**: Operates excursion service from Presque Isle to Scopan (formerly Squa Pan).*

**Portland**: ATB design contract awarded to McAllister Towing.*

**MASSACHUSETTS**

**GU**: Federal judge sends case back to state court.*

Editorial: Five days of hearings wasted.*

**Pan Am**: Fined for Massachusetts tie disposal.

**MBTA-MC**: MBTA starts passenger rail to Hyannis.

**NS-Pan Am**: Massachusetts Senate passes amendment which could bar ethanol by rail to Global Revere tanks.

**NEW HAMPSHIRE**

**NHN**: Green View Technologies receives first two cars.*

[No report.]

**RHODE ISLAND**

[No report.]

**VERMONT**

**MARITIMES**

**Saint John**: April traffic increases.*

**Canso**: Indian company looking at facility to export LNG.*

---

Common abbreviations:
- BCLR - Bay Colony RR
- BML - Belfast & Moosehead Lake RR
- CBNS - Cape Breton and Central Nova Scotia Ry
- CCCR - Cape Cod Central RR
- CCRR - Claremont Concord RR
- CMAQ - congestion mitigation or air quality
- CN - Canadian National Ry
- CNZR - Central New England RR
- ConnDOT - Connecticut Department of Transportation
- CP - Canadian Pacific Ry
- CSO - Connecticut Southern RR
- CSRX - Conway Scenic RR
- CSXT - CSX Transportation (railroad)
- EMRY - see NBSR, FHWA - Federal Highway Admin., FRA - Federal Rail Admin.
- FRTC - Fore River Transportation Co.
- FTA - Federal Transit Admin.
- GU - Gulf & Western RR
- GWS - Genesee & Wyoming Inc
- HRRC - Housatonic RR
- MassDOT - Massachusetts Department of Transportation
- MBCR - Mass. Bay Commuter RR
- MBRX - Milford-Bennington RR
- MBTA - Mass. Bay Transportation Authority
- MC - Massachusetts Coastal RR
- MCR - Mass. Central RR
- MDOT - Maine Department of Transportation
- MERR - Maine Eastern RR
- MMA - Montreal, Maine and Atlantic Ry
- MNYR - see NBSR
- MPO - Metropolitan Planning Organization
- MTQ - Quebec Ministry of Transport
- NAUG - Naugatuck RR
- NBDDT - New Brunswick Department of Transportation
- NBSR - New Brunswick Southern Ry
- MNR - Maine Northern Railway
- EMRY - Eastern Maine Railway
- NECR - New England Central RR
- NEXG - New England Southern RR
- NHCR - New Hampshire Central RR
- NHDOT - NH Department of Transportation
- NHDOT - New Hampshire Northcoast RR
- NNEPRA - Northern New England Passenger Rail Authority
- NS - Norfolk Southern Ry
- NBSR - New Brunswick Southern Ry
- NBSR - Nova Scotia Department of Transportation
- NYA - New York & Atlantic Ry
- NYNJ - New York New Jersey Railroad
- NBSR - Pennsylvania Railroad
- PANYNJ - Pan Am Railways
- PBRR - Pioneer Valley RR
- PW - Providence & Worcester RR
- QCR - Quebec Central Ry
- RDOT - Rhode Island Department of Transportation
- RIS - Rhode Island State DOT
- SCX - Saratoga & North Creek RR
- ST - see PAR
- TIRR - Turner’s Island LLC
- TeU - twenty-foot equivalent unit
- VAOT - Vermont Agency of Transportation
- VRS - Vermont Rail System

---

Helping to move rail and port traffic through New York, New England, the Maritimes, & eastern Quebec. A weekly trade newsletter. www.atlanticnortheast.com
CRUDE BY RAIL: TRAINS THROUGH MAINE**

<table>
<thead>
<tr>
<th>Railroad shipping Crude</th>
<th>Barrels of Crude Shipped by Rail by M</th>
<th>2012</th>
<th>Jan-12</th>
<th>Feb-12</th>
<th>Mar-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine Central Railroad</td>
<td></td>
<td>903</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Montreal, Maine &amp; Atlantic</td>
<td></td>
<td>914</td>
<td>14,333</td>
<td>19,690</td>
<td>54,880</td>
</tr>
<tr>
<td>Total Crude 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reg #</td>
<td>Jan-13</td>
<td>Feb-13</td>
<td>Mar-13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maine Central Railroad</td>
<td>903</td>
<td>441,820</td>
<td>312,583</td>
<td>385,566</td>
<td></td>
</tr>
<tr>
<td>Montreal, Maine &amp; Atlantic</td>
<td>914</td>
<td>489,687</td>
<td>501,294</td>
<td>484,614</td>
<td></td>
</tr>
<tr>
<td>Total Crude 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

16 May, Augusta. **PAN AM AND MMA CONTINUED AT A SIMILAR LEVEL OF CRUDE**, roughly speaking [see table] during March, though neither hit its December record [see 13#04B].

The following 'Trains observed' does not pretend to account for all trains. However, note that the six NBSR trains 8-22 May, if say 70 cars per train and 700 barrels per car, would account for 500,000 barrels, or more than half a month of the March total of 870,000 barrels. I conclude that the oil continues to move at about the same level, despite the shrinking gap between West Texas Intermediate and Brent crude prices. *Editor

**Trains observed: Pan Am**
30 April: eastbound through Lowell led by BNSF locomotives.
5 May, westbound empties through Waterville, two Pan Am locomotives.
5 May: eastbound through Bangor mixed freight.
6 May, through Portland (unclear if east- or westbound).
10 May, eastbound through Mechanicville.
16 May, eastbound through Bangor, six Pan Am locomotives, 70 cars.

**Trains observed: MMA**
3 May, eastbound, Farnham, six locos, 80 tank cars, control caboose.
18 May, eastbound, St.Jean, Quebec
26 May, eastbound, St.Alphonse, Quebec, six locos.?? freight facility!
31 May, eastbound, Deauville, Quebec, five locos.

**Trains observed: NBSR**
8 May, eastbound, McAdam.
10 May, eastbound, Welsford, six locos, 29 tank cars, 27 centerbeam lumber cars, 15 chip cars.
12 May, eastbound, McAdam, three locos, 59 tank cars.
17 May, eastbound, McAdam, four locos.
19 May, westbound, Cork, New Brunswick, 69 tanks, mixed train, five locos.
21 May, eastbound, Vespra, New Brunswick.
22 May, eastbound, McAdam, three locos, tank cars and autoracks in the consist.
2 June, eastbound, Grand Bay, four locos, 76 loaded tank cars.

PW: ACTIVIST INVESTOR SHOULD INTERVENE*
10 May. ANONYMOUS AUTHOR 'MICROCAP BARGIN [SIC] HUNTER' CALLED FOR 'A STRONG ACTIVIST INVESTOR'. His thesis: 'PWX is a relatively smaller (market cap, miles of track) and weaker (stock performance, operating ratio) competitor and failed to participate in the industry and economic recovery due to a high cost structure (largely due to expensive union contracts) and a CEO with a stranglehold on the board. As a result the stock trades at a low valuation despite numerous and significant positive factors. A strong activist investor would help maximize shareholder value by working with management and the board to reduce costs and improve corporate governance."

Low price relative to book value
MBH argues that potential investors should look at book value compared to other railroads.

<table>
<thead>
<tr>
<th>Ticker symbol</th>
<th>Share price versus book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWX</td>
<td>1.0</td>
</tr>
<tr>
<td>GWR</td>
<td>2.4</td>
</tr>
<tr>
<td>UNP</td>
<td>3.6</td>
</tr>
<tr>
<td>CNI</td>
<td>3.9</td>
</tr>
<tr>
<td>CSX</td>
<td>2.8</td>
</tr>
<tr>
<td>NSC</td>
<td>2.4</td>
</tr>
<tr>
<td>CP</td>
<td>4.2</td>
</tr>
<tr>
<td>KSU</td>
<td>3.8</td>
</tr>
</tbody>
</table>

PW has financial strength and good assets: Price/book value of 1x vs. peer group average of 3x. No debt (rare in this industry). Multiple assets on balance sheet (especially railroad property and equipment) carried at cost and not replacement or acquisition value. Railroad track maintenance credits which may be used to offset taxes. Stable dividend history. Paid off all long-term debt last year. Strong industry fundamentals

Strategic position in Northeast/geographic dominance. Competitive advantage with multiple connections to Class 1 railroads.

Its operations are improving: Acquiring new customers. Expanding service over all four Class 1 connections. Continuing to develop ports in cooperation with local, state and federal governments. Improving infrastructure which will lead to better operational performance. Working with partners to increase efficiency and traffic volume. Expanding commuter service. Winning recent repair work bid.

Activist intervention?
MBH lists five areas for improvement:

1. Reduce the high operating ratio, almost entirely due to expensive labor contracts. The upcoming negotiation of the UTU trainmen contract in October 2013 represents a significant opportunity to bring the high operating ratio more in line with the industry average. This new contract can be a model to be used in the negotiations for the clerical and maintenance workers in the next few years. The unions should be willing to work with management on this for the following reasons:
First, no one (including the unions) wants a strike given what happened after the Canadian Pacific strike. Second, by bringing costs down, there is a greater chance of earning money for the union profit sharing plan, which they have not participated in for the past two years due to poor company performance.

2. Corporate governance. First, although the large common stock position of CEO Robert Eder is encouraging, his ownership of a majority of the preferred shares is a great concern. He owns 500 out of 640 preferred shares, which enables him to elect two-thirds of the board. He should immediately convert all of his preferred into common to allow for a truly democratic board election.

3. The combined CEO and chair role should be split. Mr. Eder can still contribute as a "regular" board member while removing a significant conflict of interest.

4. Failure to properly monetize existing assets. PW should consider a sale/leaseback of the corporate headquarters; and sell the South Quay.

5. Fuel costs. PW should start hedging.

Sell to another railroad!
'PWX should address the concerns mentioned above in the short term. The long term goal should be to eventually sell to a larger player like Genesee & Wyoming, which has a history of successfully integrating short line railroads like PWX (see their acquisition of RailAmerica and Arizona Eastern Railway). PWX will earn a higher multiple after the implementation of these recommendations and once the current initiatives (mentioned above in the operational improvements section) improve the bottom line.' {Seeking Alpha 10.May.13}

---

NEW YORK

D&H: UNDER THE MICROSCOPE*
14 May, Boston. **CP HAS COMPLETED A REVIEW OF ITS EASTERN OPERATIONS.** The new leadership team conducted in Chicago the first of five “white board” exercises scheduled over the next two months, led by Keith Creel as president and head of operations and CP CEO Hunter Harrison.

For the first time, the duo scrutinized with CP’s marketing and operations teams every element of the company’s operations from Windsor, Ontario across the D&H network to Albany, Creel told an investor conference here.

“It’s not a very sexy exercise,” Creel said. “It’s about getting down to customer level, siding level, car level, across the entire railroad.” The next, in Calgary in two weeks, will address the Vancouver-Calgary corridor.

Creel and Harrison unearthed several opportunities in the East by simply questioning every element of the company’s operations there. “It’s amazing what you learn about the network, and it’s amazing what the officers that have run the network for a long time learn as we ask questions,” Creel said. {Scott Deveau in Financial Post 16.May.13}

PORT OF NY-NJ: BRIDGE UP*
3 May. **THE US COAST GUARD HAS APPROVED RAISING THE ROADWAY OF THE BAYONNE BRIDGE.** The completed environmental review of the project meant that the permit for the work will emerge in early May.

A joint venture between New Jersey-based Skanska Koch and Omaha-based Kiewit Infrastructure won the US$743 million contract to raise the deck of the bridge, which will allow larger cargo vessels to enter the port. Such vessels are expected to begin calling once the Panama Canal expansion is completed at the end of
2015.

Work will start in mid-2013 when crews begin to build the new elevated roadway above the existing deck. The Port Authority has said the project will be completed in the fall of 2015. {AP cited by Breakbulk 17.May.13}

**CSXT: PRIVATE TRANSLOAD OFFERING***

14 May, Rensselaer. *THE GORMAN GROUP HAS OPENED ITS FACILITY HERE FOR PUBLIC TRANSLOAD* to companies who are trying to reach the Albany area market, or ship outbound from the Albany area. Gorman welcomes many different commodities, such as: crude oil and related products, bio-diesel and veg-oil, stone, gravel, aggregates, wood products, plastic pellets, animal feed, light chemicals, and Marcellus/Utica shale natural gas drilling support (sand, pipe, etc). The only commodities not desired are waste industry products and intermodal containers.

**The Rensselaer facility**
The Gorman Group has 36 car spots on a 12+ acres at 290 Riverside Drive in the port of Rensselaer, within the Albany-Rensselaer port district. It seeks interested parties to develop the site to meet short-term and long-term industrial needs.

CSXT switches the facility twice a week.

**Current usage**
Gorman has landed asphalt cement here for twenty years via rail or ship. Current economics favor ship, so the rail spurs have more capacity than currently needed.

**For outbound and commodities?**
Scott McCalla of Maxem Consulting is marketing the facility for Gorman, and he wrote: 'From my research, far more commodities come into the Albany area than leave. Truck back-hauls from Albany are typically difficult to get, so trucking into Albany from shippers out of the general geographic area is expensive and not all that desirable. New York in general is a 3:1 receiving to shipping state by rail (as of 2010), which makes it a major net terminating state.

'Gorman has a number of trans-load "competitors" in the area, including Railex, which handles food and pharma, Trans-Flo, which handles many different commodities, and the NS Intermodal facility in Mechanicville, NY. The Gorman Group is trying to find a niche for themselves, while provide good, consistent service, and better utilize the port location.

---

1The terms "asphalt (or asphaltic) concrete", "bituminous asphalt concrete" and the abbreviation "AC" are typically used only in engineering and construction documents and literature. Asphalt concrete pavements are often called just "asphalt" by laypersons who tend to associate the term concrete with Portland cement concrete only. The engineering definition of concrete is any composite material composed of mineral aggregate glued together with a binder, whether that binder is Portland cement, asphalt or even epoxy. Informally, asphalt concrete is also referred to as "blacktop", particularly in North America. {wikipedia}

The terms bitumen and asphalt are mostly interchangeable, except where asphalt is used as an abbreviation for asphalt concrete.

American English, asphalt (or asphalt cement) is the carefully refined residue from the distillation process of selected crude oils. Outside the United States, the product is often called bitumen. Geological terminology often prefers the term bitumen. Common usage often refers to various forms of asphalt/bitumen as "tar", such as at the La Brea Tar Pits. Another term, mostly archaic, refers to asphalt/bitumen as "pitch". The pitch used in this mixture is sometimes found in natural deposits but usually made by the distillation of crude oil.
'The port itself has a combination of very active companies and vacant lots. The Port area is well located, but has been hit economically in the past 10+ years, and needs to make a comeback. The Gorman facility is located on the Rensselaer side of the port.' {e-mail to ANR&P from McCalla}

THE GORMAN GROUP
Gorman, a third-generation family business, has constructed and maintained roads since 1916.

Asphalt cement terminal
The terminal's large size (largest deep-water terminal on the East coast) and convenient location gives the Gorman Group the ability to obtain the lowest cost of material available and to efficiently distribute asphalt cement throughout the Northeast.

It has seven storage tanks [see photo] totalling 17,300,000 gallons; it can receive barges and ships over 700 feet long with a draft of 32 feet; and natural-gas fired heaters.

Asphalt emulsion manufacturing plant,
Mohawk Asphalt Emulsions located in Scotia, New York, houses the Gorman Group's primary manufacturing center, research and development arm and lab facility. It supplies all divisions with state of the art asphalt emulsions, mix design analysis and aggregate testing coupled with innovative new product development.

It does not have rail. {Gorman website}

Gorman Brothers CaCl
The Gorman Group, aka Gorman Brothers, has a site on the Albany side of the port [see map in 12#01A]. It handles calcium chloride at rail-served sites in Vermont [see 12#12A].

OSWEGO-CSXT: RAIL REHAB NEEDED*
18 February, DC. **US SENATOR CHARLES SCHUMER REQUESTED EXPEDITING A LOAN REVIEW.**
In a letter to FRA Administrator Joe Szabo, he wrote: 'I am urging your administration to act swiftly and approve a Railroad Rehabilitation and Improvement Funding (RRIF) loan for the Port. A loan of $1.5 million to address the one mile of inadequate rail could increase rail usage by nearly 50% within one year of remediation.

'….The rail has deteriorated to the point where CSX has at times shut down activity, and rail at the north end is out of alignment, which causes derailments on a consistent basis. Furthermore, the port has eight switches on site - none of which work properly - which is hazardous now that the port handles 1,000 cars annually. In the near future, should the Port of Oswego be able to meet expected demand, frequent shipments of soybeans, wheat, corn, aluminum and other cargo could increase bringing another 250-500 cars annually within the next year. However, continued deterioration of the rail could force closure of rail along dock and reduce the Port’s appeal to potential users and new business interested in locating in Central New York.' {text from Schumer website}

Port’s East Terminal Connector Project
In Phase 1 of the project, the Port's entrance has been widened to remove barriers to the discharging of oversized cargo, and a new security guard building and lighting has enhanced rapid processing of inbound traffic. {Port Web site 5.Aug.11}

Phase 2, with design and work underway, will rehabilitate the existing rail track of 2,900 feet to heavy capacity standards and add 2000 feet for two sidetracks. According to Port Executive Director Jonathan Daniels says Daniels, “CSX has already done upgrading....Some of the old rail was stamped 1892, other 1913 and 1915.”

The 1000 rail cars per year are all handled in a second shift at night to keep rail operations from conflicting with those of its predominant marine and truck operations. {Conversation with ANR&P
correspondent Laurel Rafferty 5.Apr.13
CSXT has furnished $1.2 million worth of rail and tie replacement.

**Rail operation**
CSXT owns the track on the east, where the project is taking place, and has the right to switch the entire port. {James Patka, interim port director, in phone discussion 23.May.13}

---

**LONGSHOREMAN COMMENT ON PRODUCTIVITY**
Jack Humeniuk, International Longshoremen's Association representative and chief of operations for PortsAmerica at the Portland container terminal, agreed with Sigfusson that 20-30 containers an hour could be achieved “with the right planning and right equipment. But Portland has neither the right management information, planning, nor equipment. They’re getting as much productivity as they can get” with the current situation.

**Equipment.** “The crane is 13 years old, an old mobile harbor stick crane.” [See photo in ??]

**Planning.** “If you scatter cargo all over the ship” that requires movement of the harbor crane.

**Information system.** He noted that someone had planned on CAD software the movement of some boxes, but did not take into account the equipment. The crane “could not set it down the way the move was designed, because the box wouldn't stay in the same position.” Box moves look great on paper, in reality many factors can affect the production numbers. Every single ship the moves change.”

**Cargo.** The crane has to handle odd-sized cargoes, and breakbulk. That requires changing the gear of the crane.

**The comparisons**
When stevedores handled the smaller container feeder ships earlier in the century, the crane did better because all containers were going to the same destination, and were about the same. “There was very little moving and gear-changing.” Now, boxes arriving in Portland come from several destinations and are stowed in any of the hatches, six or seven of them, requiring the crane to move.

Humeniuk noted that Eimskip is not comparing Norfolk or Everett productivity, but Eimskip handling at Reykjavik, where with gantry cranes and “other equipment they have wonderful productivity.”

**Training**
If Eimskip is offering training “we would like training. If there's a better way to do it, bring it on in.” Eimskip did send some operating people over from Reykjavik, who realized that even given the right circumstances productivity would only reach 16-18/hour. {ANR&P discussion 3.June.13}

---

**Container handling goal: Halifax?**
Per Daniels, the East Terminal Connector Project will open a 15-acre parcel for container shipments as well as additional project cargo movements. More detailed information on anticipated container origins and volumes is proprietary, thus not available to the public.

“Everything is evaluated as to whether it enhances intermodal connections, whether local or international, such as [a proposed connection to a] terminal in Nova Scotia,” Daniels said, noting that actual connections are determined by the carrier.

**Current status of the FRA request**
In April, Daniels indicated the Port is still in the application process, working with the FRA’s Division of Credit
to submit a full and complete application package for a loan. {Daniels 5.Apr.13; port web site 5.Aug.11}

### PORT OF OSWEGO CARGO STATISTICS in tons

<table>
<thead>
<tr>
<th>Volumes (tons)</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (In + Out)</td>
<td>1,002,349</td>
<td>1,100,232</td>
<td>9.8%</td>
</tr>
<tr>
<td>Cement</td>
<td>485,632</td>
<td>495,002</td>
<td>1.9%</td>
</tr>
<tr>
<td>Ag products</td>
<td>195,588</td>
<td>225,089</td>
<td>15.1%</td>
</tr>
<tr>
<td>Petro products</td>
<td>150,122</td>
<td>165,123</td>
<td>10.0%</td>
</tr>
<tr>
<td>Aluminum</td>
<td>75,221</td>
<td>120,895</td>
<td>60.7%</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>44,567</td>
<td>44,561</td>
<td>0.0%</td>
</tr>
<tr>
<td>Salt</td>
<td>28,553</td>
<td>27,654</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Project cargo</td>
<td>22,369</td>
<td>21,908</td>
<td>-2.1%</td>
</tr>
</tbody>
</table>

{Source: Daniels 20.May.13; a breakout of inbound and outbound not available}

### ALBANY: CRUDE BARGED STILL*

17 May. **IRVING MAY TRY AGAIN TO USE A SHIP TO MOVE CRUDE TO SAINT JOHN;** Port General Manager Rich Hendrick hears a tanker is coming [see 12#12A: first tanker ran aground]. Barges continue to load crude arriving by rail at Buckeye (CSXT) and Global (CP), with the Buckeye barges transloading in New York Harbor to ship for furtherance to Saint John. {Hendrick e-mail to ANR&P correspondent Laurel Rafferty}

### ALBANY: SIMS STILL THERE*

---

**FOR SHIPPERS:**
Current services include distribution, cross-dock, and side-track leasing

- Storage: four roofed areas with a total of 32,000SF, plus 10,000SF enclosed.
- Cross-dock: CSXT service for all car types, 286,000 pounds. Up to 20 car spots. Trackmobile switching.
- Distribution: Flat-bed services within a 300-mile radius by affiliate Ray’s Transportation, Inc.
- Side-track leasing: Up to 20 carspots.

**FOR RAILROADS:**
Current services include distribution, tie-plating, & recycling

- Removal, reuse, and disposal of track materials. New track materials warehoused, repackaged, palletized, and delivered.
- Pre-plating of ties, and lease of proprietary tie-plating machine.

**Location info on Shippex.com**
CSX-served at 55 Windsor Highway (Rt.32)
New Windsor, New York
mailing address: 42 Argenio Drive,
New Windsor, NY 12553

Contact: Diane Stackhouse
Phone: 845-913-7040 ext.103
diane@EastCoastRailroadServices.com

Located 55 miles north of New York City
3 May, Albany. **The Port's Board of Commissioners has made no decision on the Rensselaer Iron and Steel (RIS) bid to lease the Sims site.** [Sims leased the site until the end of March, and RIS has bid to use the site when Sims leaves – see 13#04A.] Port General Manager Rich Hendrick reported that the Port is contracting with its engineering company for a level 2 environmental assessment of the property prior to the exit of Sims. Following that, if no concerns emerged, RIS will start its plan.

As to whether the environmental review will hold up the RIS start date, Hendrick believes 'the review will possibly take a month or so. Sims is actually still on the property, planning to exit around June 15 - 30.' {e-mails to ANR&P correspondent Laurel Rafferty 3 & 14.May.13}

---

**Quebec**

---

**Connecticut**

---

**Conndot: RFIP Grants**

31 May, Hartford. **More than $8 million in rail freight infrastructure program funding will be released to four regional railroads,** Governor Dannel Malloy, joined by Congressman Joe Courtney and ConnDOT Commissioner James P. Redeker, announced.

Courtney mentioned New London: “Moving more freight by rail to and from our region will provide a significant economic catalyst for the Port of New London and a number of eastern Connecticut communities that are ranked by Deloitte as being among the nation’s best for manufacturing.”

**Matching funds**

"This competitive program specifically for freight rail companies will result in short-term improvements with long-term benefits," said Commissioner Redeker. "Freight operators are combining this funding with their own resources —this is a true public/private partnership that will have a positive lasting impact on Connecticut rail transportation."

**The projects**

**CNZR.** Central New England Railroad was awarded $2,464,300 for track and grade crossing signal infrastructure improvements installed between Hartford and Bloomfield on the state-owned Griffin Line. Grade crossing warning devices will be installed, and surface and track improvements will be made at the Wintonbury Avenue and Mills Lane crossings in Bloomfield.'

More on CNZR. On 3 June A.J. Belliveau explained that with the track improvement he will be able to run at 20 miles per hour rather than at 10. In addition, one grade crossing at which he must now stop and flag will receive signals so that he can operate through it. “It's on the steepest part of the line” so trying to re-start a loaded train “can be difficult sometimes.” {ANR&P discussion}

**NECR.** New England Central Railroad was awarded $3,579,230 to upgrade their mainline track between New London and the Connecticut/Massachusetts state line to accommodate 286,000 pound rail cars. The project includes upgrading switches, making repairs to the Norwich Tunnel, and rehabilitating nine at-grade crossings.’

**NAUG.** Naugatuck Railroad was awarded $1,649,936 on the state-owned Torrington Line between Waterbury and Torrington. Naugatuck Railroad will replace ties and worn rails, and improve a rail crossing at Frost Bridge.
Road on Route 262 in Watertown.'

PW. 'Providence and Worcester Railroad was awarded $759,395 to rehabilitate 26 miles of the Norwich Branch Line between Plainfield and the Massachusetts state line. New crossties, spikes, and ballast will be installed, and rail speeds on the line will increase.' {text of announcement}

?? funding ??

MAINE

ICELAND: A NEW VIEW
31 May, South Portland. THE EARTH NEEDS A NEW VIEW OF SHIPPING LANES, said Iceland President Olafur Ragnar Grimsson during the Maine International Trade Day sponsored by the Maine International Trade Center. With the melting of the Arctic icecap, trade lanes can now open across the Arctic Sea three to four months of the year. That means that Iceland, Maine, and other countries near the Arctic can now offer new trade lanes to customers much shorter than the traditional connections across the Atlantic.

During a discussion later, Grimsson emphasized both that the Arctic trade routes were not a new idea, and that the concept was very significant.

Rail
During questions, Grimsson was asked about improving the rail out of Portland, when Bruce Davis of Trilliam
Diagnostics noted “a lot of work to do to get rail cars to Montreal and New York,” Grimsson noted that Governor Paul Lepage said the railroads needed to improve: “You will realize the need to modernize rail to use this important port connection [in Portland].” {ANR&P coverage}

**PAN AM/PORTLAND: MPA, EIMSKIP**

31 May, South Portland. *EIMSKIP MADE ITS SIXTH CALL HERE* during the Maine International Trade Day sponsored by the Maine International Trade Center. At a session on the Port of Portland logistics, Maine Port Authority Executive Director John Henshaw made these points:

**Shortsea**

Henshaw noted that MPA is moving ahead on the articulated tug-barge [see other article] which will, if an operator emerges for the Portland-New York route, provide Eimskip with a link to New York.

**Chassis**

MPA has invested in chassis because few others want to [see photo]. LL Bean is already using these, draying boxes from New York to Maine, and clearing the boxes through customs at the IMT because the boxes are moving on a Portland bill of lading.
He said Bean is compensating MPA for the chassis, “using a couple of different arrangements.” Eimskip has increasingly bought its own chassis into terminal.

Reefer capacity
MPA is contracting for the installation of 150 reefer plugs on the north side of the terminal, purchased from California and installed by a Portland contractor via competitive bid. Pending completion, MPA borrowed a 500kw generator from Searsport to power reefer pumps.

Once the stationary plugs are operational, Eimskip can unload an entire shipful of reefers and “get the ship out as quickly as possible.”

Rail to terminal
MPA is “working with Pan Am on getting rail directly to the terminal. Pan Am has been very helpful on how to make this work. Everyone involved is working diligently.” Asked after the session about Fink’s prediction of “spring or summer” for the completion of the track [see ??], Henshaw did not respond. {ANR&P coverage}

While Pan Am officials did not attend the session, attending the Eimskip reception were Pan Am President David Fink, Marketing Vice-president Mike Bostwick, and Bill Whitney, director of sales for Maine and New Brunswick [see 11#11A].
One official at the reception amplified on the situation: 'City, state, and railroad are working in the same harness to get this alignment into the IMT ASAP.' Design has begun. 'Eimskip is content to be focusing immediately on operational issues as they move their presence to Portland. That breathing room should allow enough time to design an effective 1st phase rail yard.' {e-mail to ANR&P}

**EIMSKIP NEEDS**

Gylfi Sigfusson, CEO and president of Eimskip, spoke next.

**Ownership**

During Iceland's extreme financial difficulties in 2008-2009, Richard Winston Mark d’Abo, a partner at The Yucaipa Companies, LLC², led Yucaipa’s team in co-sponsoring with Landsbanki the composition and rebirth of Eimskip. At this point Yucaipa is Eimskip's largest shareholder, and d'Abo serves on its board.

**NVOCC**

Eimskip can provide connections to Asia via over 20 carriers, as it buys slots on them via its Non-Vessel-Operating Common Carrier.

**Maine compared to other entities**

Sigfusson pointed out that Eimskip calls many locations with a very small population, such as Newfoundland (514,000), Nova Scotia (922,000), Iceland (319,000), Greenland (56,000), Faroe Islands (49,000). In that regard, while Maine at 1.3 million seems small, it is “by far the largest entity which Eimskip calls” on the west side of the Atlantic.

**Why Eimskip chose Portland**

The shipping line looked at Davisville, Everett, and Portland as its new US port of call [see ??]. Compared to the others, Portland had a “positive atmosphere from the governor on down. The governor was very open, compared to others.” Sigfusson related that he had “never seen a politician like him. He came to a [marine] show in Boston, shook hands at our booth.” In Rhode Island, “it was very hard to get an appointment.” In Norfolk “no one knew if we coming or going. We would certainly not get a crowd of 100 to talk about Eimskip logistics,” referring to his audience.

The Eimskip president also emphasized Iceland's historic independence movement from Denmark. Now Maine can have “freedom and independence from Boston and New York....Businesses need to have their own carrier for import and export.”

**Better logistics**

Sigfusson listed several areas which needed improvement for Eimskip to do well in Portland:

- **container handling speed.** At this point, productivity is too low at 10-15 containers per hour. “We are trying to train the workers. We need 20-30 per hour” to turn the vessel quickly and “get connections with Europe terminals.”

- **meat inspection.** Portland currently has no on-site meat inspector; one must fly in from Pennsylvania.

- **cold storage.** Eimskip needs a cold storage warehouse on the pier. “Americold is too old,” and a ten-minute dray

---

² The Yucaipa Companies, LLC is a private equity and venture capital firm specializing in turnaround investments. The firm seeks to invest in supermarket chains, cafeterias, grocery stores, other food-related businesses, distribution, consumer, retail, logistics, light industrial and manufacturing industries in United States. It considers investments between $50 million and $300 million. The Yucaipa Companies, LLC is based in in 1986 and headquartered at Los Angeles, California. Richard is currently a board member of Versacold International Corporation, ATango ehf., Apogee Electronics, LLC, and NPE Holdings, LLC. Richard has previously been a board member of Food4LessSupermarkets and Americold Realty Trust. Richard has been involved with all acquisitions of Americold Realty Trust, building it into the largest cold storage company in the world.
away. The extra shift of a container costs $200-$300. Handling in the port area is free.

**rail to port.** Here too the extra shift, from the port to, for example, Merrill's Marine Terminal [see ???] adds a cost. Eimskip has to see the rail get to the port, he emphasized.

trucking. “We need to overcome our two hours north of Boston,” which costs $370 more to dray there. Overall rates including inland trucking average $500-$700 more expensive than to other East coast ports.

Truckers are currently charging for a round-trip. In the lanes between New York and Worcester or Ayer container yards, noted a Hapag official in a later conversation, truckers shuttle back and forth, moving a load in each direction.

After the presentation, “some people offered to help with trucking,” Sigfusson reported later.

promotion. Eimskip and its partners need to market its service.

The additional costs; export

Overall, Sigfusson said, “we need to scrape off the system about $500-$600.” If the total is only $200 than other lanes, that's okay because of reduced marine transit time.

Outbound, Eimskip can “offer great prices” but unfortunately “few containers originate here” in Maine.

Customers

Sigfusson announced that Eimskip had just landed “a big contract for wood stoves from Norway into Portland.” Frozen fish landed here is trucked to Peabody, because of “no customers here in Maine.” Two big Icelandic water companies are sending “900 containers of water to California” to compete with Fiji and Evian. The company will handle its first open-top containers for a bridge project [see box].

---

**EIMSKIP EXPORT: BRIDGE PANELS**

The outbound Reykjafoß on 1 June carried Maine-made large, oddly shaped panels that look like pieces of an art exhibit. Made of composite materials, they were manufactured by Harbor Technologies in Brunswick under a contract worth $500,000.

Martin Grimnes, the company's principal owner and chief executive, said the panels solve an engineering problem for the bridge in Mandal, Norway: how to create the curved forms that cover the concrete blocks that support the bridge. Grimnes, who grew up in Norway and worked previously with the Norwegian contractor AF Group, convinced them that he could solve their problem by using panels made of composite materials. Janseneering Inc. of Topsham used its five-axis profiling machine to create a foam mold, which Harbor Technologies used to create the final product. In all, 26 panels are being shipped, to be pieced together in Norway.

Grimnes said he previously shipped products overseas on large steamship lines that operate out of Philadelphia and New York. Shipping out of Portland is less expensive because it reduces trucking costs, he said. More importantly, it saves time. Harbor Technologies can deliver its cargo the day before the ship's departure. For the ports in New York and Philadelphia, it must have the cargo delivered three or four days ahead of time. The huge steamship lines aren't that flexible, and Grimnes' business isn't significant for them, so they're not motivated to help him move his oversize cargo.

Eimskip is a good fit for Maine because it's small, like most Maine companies, and flexible. He already knows the staff in Portland by name. "These guys are a joy for us," he said. "They worked with us on finding the best solution for shipping the complicated shapes. This kind of service would never have been feasible from Philadelphia or New York." {Tom Bell in Portland Press Herald 1.June.13}
For the future, he envisions Portland hub for oil and mining projects in the North, as a center for fish both fresh and frozen, and an originator of paper and lumber. “Most of the paper and lumber we handle now comes out of Norway and Halifax.” He needs outbound traffic “for balance. Nearly everything is inbound now.” \{ANR&P coverage and interview\}

**Outbound Connecticut containers?**

Chris Myers in ?? received empty boxes via rail [see ??]. Asked at the reception how he handled them, he said drays them to a customer, the customer loads them, he picks them up and drays them to Ayer. “I assume they come back here” to the IMT. \{ANR&P interview\}

**MMA: MORE TRAFFIC?**

21 May, Searsport. A MEXICAN COMPANY HAS CONTRACTED WITH GAC CHEMICAL to produce industrial pigments for paper companies. Dalegip America Inc.’s president, Manuel Rivadeneyra Díaz, said penetrating American markets directly has been impractical from the company's Mexican headquarters, just north of Mexico City. Delivery time and transportation costs for the hollow-sphere plastic pigment products (about 70% water) were not competitive.

**Which mills?**

“On one visit [years ago] to one of the biggest [paper] producers, the sourcing fellow asked us if we would consider doing something in Maine,” Díaz said. “Some years later, we decided to come here to Maine and the reason is basically the paper industry.” He declined to name the company, but he and GAC Chemical President and COO David Colter listed Sappi, Verso and NewPage as potential clients.

**Expansion for GAC**

Díaz spent the previous week in Maine to plan at GAC, which will hire about 12 people to run the new product line served by one new chemical reactor by end 2013. The companies hope to begin producing up to 1,500 metric tons of Dalegip pigment by the end of 2014. Díaz has plans for two if demand warrants it. Beyond that, GAC's Colter aid, “We own 153 acres right on the bay and we're only using about 40 acres so there's plenty of room for expansion.”

John Wolanski, GAC's vice president of marketing and sales, says the market might extend beyond Maine mills. “Because it is a specialty [chemical], we've already had interest in shipping the product as far away as Minnesota. So, just because the product is made in Maine doesn't mean it's limited to just Maine or New England.”

**Cost and supply chain**

John Williams, president of the Maine Pulp and Paper Association, says GAC and Dalegip's new venture will be a good bet if it can cut papermaking costs. “If our companies can get these [pigments] at a lower cost, that's an advantage to them and it has environmental advantages, too.” Shortening the supply chain by producing pigment in Maine could reduce the carbon footprint of pigment delivery by up to 90%. That reduction could be a significant benefit to Maine coated paper producers because large customers like Time Inc., the largest magazine company in the United States, have begun to use sustainability metrics in choosing suppliers.

The supply chain cut also holds savings on transportation costs, which Wolanski says can add between 25% to 40% to the delivered costs of pigments. \{Darren Fishell in Mainebiz 21.May.13\}

**Rail and port use**

Wolanski wrote on 23 May: 'Raw materials will arrive by rail coming to GAC in Searsport on the MMA Railway. There is also an opportunity to ship finished products outbound by rail. In addition, depending on production volumes, raw materials could potentially arrive into the Port of Searsport by ship or barge. So as this manufacturing project develops, it could utilize an efficient combination of all modes of transportation.
including water, rail and highway.' {e-mail to ANR&P}

**NBSR: EXCURSION TRIP**

25 May. **MNR RAN TWO EXCURSION TRAINS FROM PRESQUE ISLE TO SCOPAN (FORMERLY SQUASH PAN) LAKE.** The round trip ticket cost $20. Proceeds from the trips were donated to TAMC to benefit children's healthcare in the area. {Kevin Smith in RailsNB and TrainOrders}

**MMA-NBSR: STILL WAITING**

28 May, Chicago. **MMA AND NBSR HAVE STILL NOT CLOSED ON THE TRANSFER OF THE VAN BUREN SUBDIVISION** [see 13#02A], though NBSR agreed with MMA in December 2011 to acquire the line. The holdup involves paperwork in DC. Ed Burkhardt, MMA chair, wrote: 'We have made some breakthroughs with the FRA on the agreement changes necessary to release the mortgage on the Van Buren Sub. But it isn't done yet, and the lawyers are in what hopefully will be the final stages of drafting the amendment.' {e-mail to ANR&P}

**MMA-NBSR: PAPER MILL SALE**

21 May, Madawaska. **TWIN RIVERS TOLD ITS CUSTOMERS THAT TWO INVESTMENT FIRMS WILL BUY 51% OF THE COMPANY,** which consists of the Edmundston pulp mill, the Madawaska paper mill, and the Plaster Rock lumber mill. Twin Rivers CEO James Gehrman's letter to customers, and a press release from spokesperson Louise Merriman, supplied these details:

- Brookfield Asset Management within three weeks will sell its 51% controlling interest [Brookfield, the previous owner, took the 51% when the three properties were sold out of bankruptcy – see 12#04A] to Blue Wolf Capital Partners, a private equity firm in New York City, and Atlas Holdings LLC, an investment and holding company based in Greenwich, Connecticut.

- Blue Wolf and Atlas Holdings also have offered to purchase the remaining 49% from other shareholders, wrote Gehrman, 'on the same terms and conditions that they are purchasing Brookfield’s stake,' terms which were not publicly disclosed.

- Gehrman added that the investment companies 'bring a reputation for building sustainable businesses and deep operating expertise. They have been engaged in an operational and market review of Twin Rivers for almost a year [Brookfield wanted to sell in 2012 – see ??], and have developed ambitious plans to strengthen the company.'

- Adam Blumenthal, managing partner of Blue Wolf, said this day: ‘We’re very impressed by the success that the company has had over the past several years in increasing its business in food packaging products, in the label business, and in the pharmaceutical businesses. [The company is] exceptionally good' at producing lightweight papers needed for these types of applications.

  'Our focus on the pulp and paper contracts will be to find ways to expand that part of the business by making those more efficiently and effectively and by really focusing on further grade development.'

- Tim Fazio, managing partner of Atlas Holdings, added that the Madawaska mill products serve serve diverse markets “not subject to electronic substitution.” {Whit Richardson in Bangor Daily News 21.May.13}

**PORTLAND: NEW ATB**

22 May, DC. **MCALLISTER TOWING AND TRANSPORTATION WILL DESIGN THE ARTICULATED TUG-BARGE,** according to an announcement by US Representative Pingree. The design contract was funded
by a $150,000 federal grant that Pingree had pushed for. She noted that the vessel could cost between 1/3 and 1/2 what a more traditional container ship would cost and use fewer crew, thus reducing capital and operational costs that could then be passed on to shippers.

The agreement between the Maine Port Authority and McAllister Towing and Transportation calls for the initial design work to be completed by autumn. [Pingree text]

[Foss Marine also bid. See 13#02B.]

MASSACHUSETTS

GU: DECISION ON PROPANE PUT OFF*

22 May, Worcester. THE FEDERAL COURT REMANDED THE ISSUE OF THE PROPANE TERMINAL IN GRAFTON TO STATE SUPERIOR COURT. The five days of evidence and argument in January at the time seemed to be centered on whether the proposed propane terminal would be the railroad’s, and thus qualified for federal pre-emption [see 13#01B], or a third party’s and thus not qualified.

However, the Town of Grafton also argued that GU, in contradiction to federal procedural law, removed the matter to federal court from state court. Judge Hillman took the removal question up, and ignored the pre-emption question.

Look to the complaint

Judge Hillman, reasoning from precedent, said that a federal court could only entertain the pre-emption matter if the complaint filed by the Town of Grafton raised a federal question. Normally, the fact that the defense might raise federal pre-emption as a defense did not make the matter subject to federal court jurisdiction.

However, if the federal statute used by GU to qualify the removal of the case for federal court, even if raised as a defense, completely pre-empts the state law, then the federal court can take the case.

Reliance on Northeast Vehicle Services

In Fayard v. Northeast Vehicle Services, LLC. 533 F.3d 42 (1st Cir. 2008), Judge Hillman noted, 'direct abutters to a railroad [East Brookfield & Spencer – see 13#02A CSXT Worcester story] brought a state court action alleging that the railroad interfered with the private use and enjoyment of their property under nuisance law because the continuous operations at the railroad’s distribution facility produced noise pollution, light pollution and emitted noxious fumes. Id. at 44. The railroad removed the action to federal court. Id.

In denying the abutters’ motion to remand, the district court held that the relief sought by the abutters would have constituted an economic regulation upon the railroad and therefore their nuisance claims were completely preempted under the ICCTA. Id.

‘On appeal, however, the First Circuit reversed the district court and remanded the action back to state court. Id. at 47. In holding that the [Interstate Commerce Commission Termination Act (ICCTA)] did not completely preempt the abutters’ nuisance claims, the court reasoned that the focus of a complete preemption inquiry should be whether federal law provides a corresponding or supervening cause of action, not whether it merely provides a remedy.'

Indeed, GU’s proposed rulings of law spent eight pages on the pre-emption question, and four pages on the ‘supplemental’ question of whether the case should have been removed. {text of Request for Ruling 30.Jan.13}

4 Consonantly, precedent confirms that state nuisance law continues to apply to railroads, e.g., Rushing v. Kansas City S. Ry.,194 F.Supp.2d 493, 501 (S.D.Miss. 2001); Cannon v. CSX Transp. Inc, No. 1:01CV2296, (N.D. Ohio, filed Dec. 27, 2001), although specific applications may be preempted-for example, because the specific state claim is expressly preempted by federal law, e.g., Noise Control Act of 1972, 42 U.S.C. § 4916 et seq. (2000); Balt. & Ohio R.R. v. Oberly,837 F.2d 108 (3d Cir.1988), or implicitly preempted because it interferes with interstate commerce or federal regulation. {Fayard v Northeast Vehicle Services, 533 F.3rd 48 (2008)}
STB exclusive jurisdiction cited in other New England cases

Judge Hillman went on to note that the STB, not federal court, has whatever exclusive jurisdiction exists. 'Section 10501(b)... provides the STB with an exclusive grant of jurisdiction over “transportation by rail carrier,” which, according to the G&U, would include the construction of transloading facilities like the one at issue here. See Friberg v. K.C. S. Ry. Co., 267 F.3d 439, 443 (5th Cir. 2001) (“The language of the statute could not be more precise . . . .”).

'Moreover, the G&U glosses over the fact that inherent within the STB’s general grant of jurisdiction under Section 10501(b) is the ability to not only adjudicate these types of disputes but also to determine whether it has jurisdiction in the first place. See Green Mountain Railroad Corporation v. Vermont, 404 F.3d 638, 642 (2d Cir. 2005) (“As the agency authorized by Congress to administer the [ICCTA], the [STB] is uniquely qualified to determine whether state law . . . should be preempted by the [ICCTA].”) (internal quotations omitted); Grafton & Upton Railroad Company v. Town of Milford, 337 F. Supp. 2d 233, 240 (D. Mass. 2004) (“STB has exclusive jurisdiction over construction projects.”)....'

Judge's determination

In remanding the case to state court, Judge Hillman further stated that GU could raise federal pre-emption as a defense there. 'The most appropriate forum for that defense, nevertheless, is before the STB.'

He cited other cases which sought STB determination: 'See Coastal Distribution, LLC v. Town of Babylon [NY], 216 Fed. App’x 97, 103 (2d Cir. 2007) (modifying a preliminary injunction to allow the parties to seek a declaratory judgment from STB determining whether the construction of a facility on railroad property fell under the STB jurisdiction); Pejepscot Industrial Park, Inc. v. Maine Central Railroad Company, 215 F.3d 195, 204 (1st Cir. 2000) at 205-06 (remanding case to the district court with instructions to refer the case to the STB noting that the STB’s input would “materially aid the district court” and would “promote uniformity”); Town of Milford, 337 F. Supp. 2d at 240 (“[E]ven if state and local law are preempted by the ICCTA, the STB should, in the first instance, determine the precise scope of that preemption.”); Engelhard Corp. v. Springfield Terminal Railway Company, 193 F. Supp. 3d 385, 391 (D. Mass. 2002) (referring the case and holding that the STB’s determination over the matter was the “heart of the task assigned . . . by Congress” and would “materially aid the court”). {Town of Grafton v Grafton & Upton Railroad Company, district court website, 12-cv-40164}

Mini-editorial

In an astounding waste of resources, as well as an expense to both the town and Jon Delli for attorney's fees, the parties and the court somehow managed to devote five days of hearings leading to the judge's decision to remand the case and not decide on the merits. They could have done that with briefs and an hour or two of argument.

That said, the judge's 26-page decision laid out his reasoning well. Did he need nearly four months? No.

5 Town of Milford, MA— Petition for Declaratory Order, STB Finance Docket No. 34444, 2004 WL 1802301 (S.T.B. Aug. 12, 2004) (holding that the G&U’s proposed construction of a scrap metal transloading facility was not considered “transportation by rail carrier” and thus federal preemption of Milford’s ZBLs did not apply).
MORE ABOUT GAC
President David Colter and James Poure, the owner, chair, founder, and outgoing CEO of the privately held GAC Chemical, said that the Mexican outfit had been looking for a regional manufacturer in Maine for the last several years to expand its operations.

The Searsport facility employs 62 people who make chemicals such as ammonium sulfate and liquid aluminum sulfate for water treatment. When Searsport became GAC headquarters in 2003, nearly 90% of the chemicals were related to papermaking; that number has dropped to 50%, Colter said. “We’re getting creative. Finding niche markets and capitalizing on infrastructure. Trying to get the word out that we are here.”

Ammonium sulfate
This chemical is found in yeast, bread, beer, penicillin and baby formula. GAC Chemical is the largest producer of high-purity ammonium sulfate in the country, shipping the dry crystals nationwide and overseas. “We have supplied Fleischmann’s Yeast with our product, and when Michelob Ultra became very popular, Fleischmann was approached by Anheuser-Busch people,” Poure said. “How do you accelerate fermentation?”

The yeast company pointed the beer makers in the direction of the Searsport manufacturing plant and its high-purity ammonium sulfate. “They were able to really speed up fermentation of Michelob Ultra,” Colter said. “Now they do that with all their products.”

GAC Chemical is also involved in contract manufacturing, in which an outside company provides it with a recipe and raw materials and it manufactures a product. It has a fleet of 25 tanker trucks used for deliveries and is the only facility in the state that does industrial chemical manufacturing and distribution.

{Abigail Curtis in Bangor Daily News 24.May.13}

And still more
For company history see 11#11A. For IRAP award of $100,000 see 12#08A.

MBTA-MC: PASSENGER SERVICE*
24 May, Boston. THE MBTA’S NEW "CAPEFLYER" RAIL SERVICE FROM SOUTH STATION TO HYANNIS STARTED, with a 17H12 departure from South Station. A return trip leaves Hyannis at 20H30, back to South Station. {editor}

NS-PAN AM: ANOTHER ATTACK ON ETHANOL*
16 May, Boston. THE MASSACHUSETTS SENATE ADOPTED AN AMENDMENT WHICH MAY BAR THE GLOBAL ETHANOL FACILITY IN REVERE. During consideration of the fiscal appropriations bill for FY14, the Senate agreed to the following language (amendment ENV 200), sponsored by Senators Petruccelli, DiDomenico, Jehlen, and Brownsberger:

'Section XX. Section 14 of chapter 91 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the word “lands” in line 26, the following:

An ethanol storage or blending facility that stores or blends or is intended to store or blend more than an average of 5,000 gallons of ethanol per day and is located within one mile of a Census block that has a population density of greater than 4,000 people per square mile shall not be granted a license under this chapter. For the purposes of this section, ethanol shall be defined as any mixture composed of not less than 30% ethanol.'
Next step
The Senate passed S.3 as its version of the entire bill, and now awaits a conference with the House, which did not include such language. {General Court website; e-mail from Tim Snyder, chief of staff to Senator Jehlen 28.May.13}

Effect: bar Global
Chapter 91 section 14 addresses licenses for structures in or over tide water. In September 2011, Global applied to the Massachusetts Department of Environmental Protection for a license to rebuild the tracks next to its tanks [see map in 10#08A] which would require licensing for some as yet unlicensed fill areas. [See 12#03A]. The licensing was held up by a different General Court act which required a safety study [see 12#08A] by MassDOT now complete [see 13#04B].

PAN AM: TIE DISPOSAL FINE*
23 May, Boston. MASSDEP HAS ISSUED A $59,746.50 PENALTY TO THE BOSTON & MAINE CORPORATION AND ITS PARENT COMPANY, PAN AM RAILWAYS, INC, for 2004-2007 disposal of large quantities of old railroad ties along rail lines in the towns of West Boylston, Sterling, Deerfield, and Charlemont. The ties abandoned in West Boylston and Sterling numbered in the thousands and extended over 7.5 miles of track in the watershed for the Wachusett Reservoir. The ties abandoned in Deerfield exposed first-responders to additional safety and health risks when they became involved in a brush fire that engulfed the abandoned rail ties.

These violations led the Massachusetts Department of Environmental Protection to issue a Unilateral Order and a Notice of Intent to Assess a Civil Administrative Penalty in May of 2007. These actions were appealed by Pan Am and its subsidiary B&M Corporation. With the assistance of the Office of the Attorney General, MassDEP recently resolved the appeal and the underlying violations through a settlement agreement.

"It is critical that Massachusetts businesses manage their wastes in a manner that is environmentally responsible, compliant with the existing regulations, and does not present an increased risk to public safety," said MassDEP Commissioner Kenneth L. Kimmell. "Protection of public water supplies and their watersheds is of the highest priority to MassDEP and illegally disposing of solid wastes in these sensitive locations will not be tolerated."

The settlement provides that Pan immediately cease any further disposal of railroad ties and manage used ties in strict conformance with protocols established as part of the company's Environmental Management System. These protocols allow for the temporary staging of used ties along the tracks under certain conditions and for set time periods. These protocols will ensure that used ties that can be recycled will get reused, and that ties that have no future use are removed from the side of the rail lines for appropriate disposal.

As part of the settlement, Pan Am will pay a penalty of $49,746.50, with the remaining $10,000 suspended pending the companies' compliance with the terms of the settlement. {MassDEP press release}

New Hampshire tie disposal
In 2006, Pan Am agreed to clean up its ties which wound up in the Little River, in Exeter, New Hampshire [see 06#10B].

NEW HAMPSHIRE

NHN: NEW CUSTOMER
20 May, Rollingsford. GREEN VIEW TECHNOLOGIES RECEIVED ITS FIRST TWO EMPTIES THIS DAY, [see photo] into which it will put recycled base oil. The company accepts used motor oil and other lubricants, removes the additives for re-use locally in an asphalt product, and sends the clean base oil out [see 12#07B].
In 2012, President Mark Wentworth anticipated 80 to 100 cars per year.

MARITIMES

CN: CAR SUPPLY
30 May, Fredericton. CN IS FINALLY MEETING RAIL CAR REQUIREMENTS FOR ATLANTIC CANADA LUMBER MILLS EXPORTING PRODUCT TO THE UNITED STATES after several months of delays, said Mike Jennings, vice-president of business development for Brunswick Valley Lumber Incorporated here. Brunswick Valley handles sales for four mills in the Atlantic region: Scotsburn Lumber, Pictou; Sexton Lumber, Bloomfield (Newfoundland); Fornebu Lumber, Bathurst; and Maritime Fibre and Energy, Fredericton (presently closed). A greater than anticipated upswing in the U.S. housing construction market plus other circumstances created the shortage in rail cars, said Jennings.

Rail use
Brunswick Valley ships product by rail for both Scotsburn and Sexton Lumber out of both Brookfield and Truro. Jennings said shipments out of Brookfield for Scotsburn can vary from three to 12 cars a week.
Scotsburn rails about 20% of its annual 60 million board feet production. Scotsburn, owned by Paper Excellence Corp. of Vancouver, reopened in December. He said both Scotsburn and Sexton will do a couple carloads each a week out of Truro.

“In the past two weeks we actually got the cars we ordered but previous to that we were running about 50% of our requirement and I don’t mean just us I am talking nationally.” The severe rail car shortage started in January “and that moved all the way into the middle of May. To put it into perspective, our company was ordering up to 60 cars a week and some weeks were allocated only 15 to 20 cars. But it is getting better and we have gotten rid of the backlog,” Jennings said.

Missed opportunities
Jennings said CN faced multiple issues trying to meet the car requirements, such a greater demand than anticipated, slow to get cars out of storage, more repairs to cars than anticipated, longer hauls, etc. And, he said, what resulted because of the car issue was “most mills missed a portion of the high market when lumber prices in the U.S. rocketed upward,” and when prices dropped back customers wanted price adjustments or just cancelled orders. {Mike Jennings in discussions with ANR&P correspondent Tom Peters 30.May 13}

CN responds
'CN is working closely with its forest products customers to increase freight car availability and velocity so that they can take advantage of increased lumber and panel demand, particularly in the United States,' wrote CN’s Jim Feeny. 'CN’s rail car supply for forest products is customer-driven, based on shipment forecasts and commitments from its forest products customers over the prior year. Thus CN’s forest products fleet at the beginning of this year reflected the ordering information it received from its customers from last year. The strong upturn in U.S. housing starts this year was not anticipated by the forest products industry in its forecasts and in its car ordering with the railways.

'Another factor now affecting car supply is the focus on U.S. markets results in long-distance hauls to destination. This increases car cycle times from origin to destination and return to Canada for reloading.'

Feeny said CN experienced a harsh winter that hampered operations and slowed service for customers. 'CN operating metrics' have improved significantly in the past two months with improved train and car velocity and reduced freight car dwell times in classification yards.

'CN has also taken a large numbers of centre beam cars for lumber and premium box cars for panels out of storage to increase fleet availability and it is working closely with customers to improve cycle times and make cars available for weekend loading.'

CN will soon take delivery of new premium box cars for forest products and will receive more starting in the third quarter of this year. {Feeny e-mail to Peters 30.May13}

SAINT JOHN: MORE TRAFFIC*

8 May. **TONNAGE INCREASED FOR THE FOURTH CONSECUTIVE MONTH IN 2013**, with significant tonnage gains in nearly all sectors of Port traffic for the month of April, and an overall increase of 7% over the same period in 2012. [See 13#04A for 1Q13 numbers.]

Gains are in the following sectors:

<table>
<thead>
<tr>
<th>Sector</th>
<th>April, 2013</th>
<th>April, 2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid Bulk</td>
<td>9,452,456</td>
<td>9,103,365</td>
<td>4</td>
</tr>
<tr>
<td>Dry Bulk</td>
<td>481,617</td>
<td>228,516</td>
<td>111</td>
</tr>
<tr>
<td>Forest Products</td>
<td>22,517</td>
<td>22,055</td>
<td>2</td>
</tr>
<tr>
<td>Containers</td>
<td>154,939</td>
<td>87,752</td>
<td>77</td>
</tr>
<tr>
<td>Container TEUs</td>
<td>24,190</td>
<td>16,023</td>
<td>51</td>
</tr>
<tr>
<td><strong>Total Tonnages</strong></td>
<td><strong>10,117,049</strong></td>
<td><strong>9,448,861</strong></td>
<td><strong>7</strong></td>
</tr>
</tbody>
</table>

{Port press release}
CANSO: LNG EXPORT?*
22 May. **H-ENERGY OF INDIA WILL CONSIDER BUILDING A $3.3 BILLION LNG PLANT AND EXPORT TERMINAL** at Melford in the Strait of Canso. To produce 4.5 million metric tonnes of liquefied natural gas annually, it would come on line in 2020, targeting Asia, Europe and Latin American markets.

H-Energy, a division of India’s highly diversified Hiranandani Group, has an option on two 300-acre parcels with government agency Nova Scotia Business Inc. “Nova Scotia offers access to North American natural gas through the Maritimes and Northeast Pipeline and large parcels of heavy industrial land adjacent to deep water ports that provide an ideal location for these types of facilities,” said Darshan Hiranandani. {H-Energy release 22.May.13}

Heather Spriet, Cape Consulting Group and H-Energy media contact, estimated the feasibility study could take a year, with final decision on a site February 2018 at the latest. {e-mail to ANR&P correspondent Tom Peters 24.May.13}

**Other sites, plants**
H-Energy is considering various North American sources of gas supply including Nova Scotia and other regions of Atlantic Canada. It is also building a $2 billion LNG plant in India.

Pieridae Energy Limited of Calgary is considering a $5-billion plant and export terminal at Goldboro, exporting 10 million metric tonnes of LNG annually by 2020. Anadarko Petroleum Corporation of Texas is considering a $650-million import facility at Bear Head near Point Tupper. {Joann Alberstat in Halifax Chronicle Herald 16.May.13}

HALIFAX: SHORE POWER*
8 May. **HALIFAX WILL HAVE SHORE POWER FOR CRUISE SHIPS IN 2014**, said Halifax Port Authority’s Cathy McGrail, the first Atlantic Canada port to do so. It will reduce cruise ship idling by 7% annually, saving 123,000 litres of fuel and 370,000 kilograms of greenhouse gas and air pollutant emissions. The federal government will contribute $5 million; the provincial government and the Halifax Port Authority $2.5 million each. {{McGrail in discussion with ANR&P correspondent Tom Peters 9.May 13; HPA release 23.Jan. 13}

**Fits with federal plan**
Although HPA has not awarded a contract for the project, Matt Case with Cochran Marine in Seattle, considered an industry leader in shore power technology, told a Sydney Ports Day luncheon that his firm is in discussions with both Halifax and the Port of Sydney. A source said Cochran will likely get the Halifax job but shore power may be a bit too expensive for Sydney at this point. {ANR&P coverage; Peters discussion with source 9.May.13}

On 8 May, Canadian Transport Minister Denis Lebel announced Canada is adopting immediately strict environmental standards to reduce air emissions from ships navigating Canadian waters, further aligning Canada’s air emission standards with American. {HPA press release}

---

**RAIL FREIGHT FACILITIES**

Described in this issue.

---

**PEOPLE, EVENTS**

**Gordon Page** and the Maine Eastern Railroad have parted ways. Page handled the excursion service, and not coincidentally, MERR has cut back the service sharply.
The website stated on 23 May: 'The Maine Eastern Railroad will operate special dates beginning in June, limited seating available. Full Season schedule begins August 21st - October 12th, Wednesday through Saturday.'