**ATLANTIC NORTHEAST**

**RAILS & PORTS**

operating railroads + ports, intermodal facilities, and government environment

**Formal issue 13#06A 19 June 2013**

[Image 164x605 to 460x609]

*Article unchanged from e-bulletin.*

**Blue type in article: changes from e-bulletin.**

Blue header & table of contents: new article

REGIONAL

**Cold Train:** West coast to regional terminals.

**Crude by rail:**
- CN to serve four refineries in eastern Canada.*
- Railroads offer shorter contracts than pipelines.*
- Global five-year deal with Bayway.*
- Building pipelines difficult.*
- Portland-Montreal pipeline resistance.*

**Crude by rail through Maine:** Pan Am zero in April, MMA near record.* Sightings.**

**TIGER V:** USDOT again way oversubscribed.*

**PW-CSXT-Pan Am:** NEC may cost more by 2015.*

NEW YORK

[No report.]

QUÉBEC

[No report.]

CONNECTICUT

**NAUG:** Funds for service to new C&D facility.*

**Connecticut PA:** Bill dies in General Assembly.*

MAINE

**MERR:** Marson leaving, MDOT contract extended.*

**MERR:** Railroad Retirement scandal.*

**MMA-Eastport:** Thermogen seeking $30 million bond to build torrefaction machines in Millinocket.*

**NBSR:** Shingle plant will bring in western red cedar from British Columbia to Maine. Pricing.**

**NBSR-MMA:** Sub, bridge to Canada sale closed.*

MASSACHUSETTS

**GU:** Superior Court judge refers Town of Grafton propane facility dispute to STB.*

**NS-Pan Am-Boston:** Will barring the ethanol terminal stand up in court?*

NEW HAMPSHIRE

**Pan Am-MBTA:** Extension commuter to Plaistow.*

**NHDOT-Pan Am:** Details on Executive Council discussion of proposed Pan Am contract.*

**MBRX-NHDOT-Pan Am:** New Hillsboro RFP.*

- Pan Am; await new RFP before new track deal.*

**NHDOT-MBRX:** More refusals to info requests.*

RHODE ISLAND

**PW:** Moving out final C&D loads from Pond View.*

VERMONT

**VRS:** Permit full doublestack through Middlebury?*

MARITIMES

**CN:** Inland Technologies rail transport for de-icing.*

**Halifax:** Ceres wins AZX service versus Halterm.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Jonathan Shute.*

**MBRX coverage**

Three industry veterans approve of the coverage. It shall continue.

- Chop Hardenbergh Next formal issue 3 July

[Image 35x644 to 580x655]

REGIONAL

REGION: INTERMODAL REEFER SERVICE

11 June, Washington state. **BNSF, NS, AND CSXT ARE PROVIDING COLD TRAIN WITH SEVEN-DAY REEFER SERVICE TO THE ATLANTIC NORTHEAST**, from both Portland, Oregon, and the inland Port of Quincy, Washington. Patrick Boss, director of public affairs for Cold Train – Rail Logistics, explained that “the refrigerated transportation landscape has been changed significantly over the last year with more and more shippers and receivers looking for new expedited refrigerated shipping options, which has help to fuel the expansion of Cold Train’s network in the East.

“Intermodal rail has improved a lot as railroads are becoming very adept at handling refrigerated containers and moving them fast and consistently.” BNSF’s intermodal, expedited Z-train starts in Seattle and picks up refrigerated at Quincy. Westbound Z-trains drop containers there from the East Coast and Midwest.

**Eastbound to Illinois**

From Washington and Oregon, trucks move over 95% of all produce. However, Cold Train moves nearly 800 containers per month from the Pacific Northwest to the Midwest and East coast, with apples, potatoes, pears, onions, cherries, carrots, frozen French fries, frozen sweet corn, etc.

Trucks dray the produce in Cold Train boxes from farms and orchards within about a 100-mile radius of the terminals near Portland and Quincy. The terminal lifts the boxes onto the intermodal cars.

A 10H00 cutoff on Tuesday in Quincy will get the box to Cicero, Illinois Friday afternoon. A 23H00 cutoff on Tuesday in Portland will get the box to Cicero, Illinois at 04H00 Saturday.
To the East coast: the Atlantic Northeast terminals
Cold Train can now move boxes to the Northeast “six to seven days door to door,” Boss stated. In the Windy City, East coast boxes are rubber-tired to NS and CSXT terminals for furtherance to Atlantic Northeast terminals.


Westbound
Cold Train also brings back full containers of refrigerated westbound from the East coast and Midwest to Portland and Quincy. From East coast terminals, Cold Train fills about 80% of westbound containers, said Boss. Some 90% of containers west to Portland contain refrigerated cargo; to Quincy about 70% are loaded.

Cargo includes massive amounts of frozen pizzas, frozen juice concentrates, chilled dairy products and ingredients (spices and mixes) for food processing plants in the region.

Ace Hardware sends containers of hardware, building materials, and equipment each month to West coast stores – no refrigeration needed.

Turn times
Boss said the company was getting “several turns per month” of its containers.

Equipment
Cold Train started with a fleet of 100 53-foot refrigerated containers which will grow by the end of 2013 to 400 Hyundai containers. Via the StarTrak GPS tracking system, the company automatically and frequently checks the reefer, and can turn reefer power on/off or adjust settings (temperature, mode, identifies fuel levels, etc.).

The boxes can run at temperatures from -20F to ambient, so Cold Train can move produce, frozen foods, or hardware.

Carbon footprint
BNSF Railway’s carbon emission webpage indicates that shipping a container on the Cold Train in the Quincy-Chicago reduces the shipment’s carbon footprint by 52% versus a long-haul truck.

CN, Toronto, Montreal, and the Gulf future
Cold Train is already using CN from Chicago to Toronto, and is working on new CN lanes to Montreal, Mississippi, and Louisiana. \{ANR&P discussion; Cold Train 2013 presentation\}

CRUDE: PIPELINE OR RAIL?*

Several stories underscore the notion that no one will build a new pipeline to either coast; only TransCanada has a shot at completing one, by extending its existing pipeline east of Montreal. Below are some comments on the situation.

CN MOVING ALBERTA CRUDE INTO EASTERN CANADA
Claude Mongeau, CN CEO, said in April: “We are following the needs of our customers, and the greatest need of our customers at the moment is connecting western Canada to eastern Canada, to Irving Oil in Saint John, to Valero in Quebec City, to Suncor in Montreal and to Imperial Oil in Nanticoke. All of these refineries are looking to bring crude from Western Canada by rail. We need to build infrastructure here in Western Canada and they need to do investments inside their own refineries. So that’s where our demand is and where our focus is in Canada.”

In the United States, CN is building supply chains to carry crude to refineries in the Chicago area, Detroit, Delaware, Pennsylvania, Louisiana, Memphis and Texas, using U.S. rail partners like CSXT and NS, and even moving oil by barge down the Mississippi River. “It makes sense to go there because the heavy crude
is desirable to all the refineries that have the capability to accommodate it. So before we start shipping oil to Asia, you first cater to the customers that are close to you. And that’s definitely been the focus of our customers and the focus of CN.”

CN expects to double its crude oil shipments to about 60,000 car loads this year, Mongeau said, still just a tiny fraction of the 2.2 million barrels of crude that Canada exports to the United States each day – mainly through existing pipelines. {Gary Lamphier in Edmonton Journal 24.April.13}

DO RAIL COMPANIES OFFER SHORTER CONTRACTS?
Rail companies offer shorter-dated contracts of one to four years, versus pipelines, which were 10- to 15-year contracts, Rusty Braziel, president of RBN Energy, said.

Until the United States lifts its restriction on crude oil exports, US production will stay stateside, so there are limits to how much the United States might affect global markets. Yet Braziel said that Canadian oil production may move overseas as rail routes to the West coast already exist and there are proposals to build export terminals in Canada and the United States.

The United States might not export output anytime soon, but Morgan Stanley said it sees the United States starting to cease use of imports quickly. “Shale-driven crude production (will) displace 100% of imported light sweet crude starting with the Gulf Coast (in the second half of 2013) and subsequently the East and West coasts.” {Debbie Carlson in Openmarkets.com 21.May.13}

GLOBAL FIVE-YEAR DEAL WITH BAYWAY
In January 2013, Global signed a contract to deliver 91 million barrels of shale oil from the Bakken region of North Dakota to Phillips 66’s Bayway refinery in New Jersey [via CP and Albany] over the next five years. “Our intent is to run more shale crudes, and the way we are doing that, in part, is to get it to our refineries by rail,” said Phillips 66 spokesman Dennis Nuss. “There’s a lot of north-south pipelines, but there isn’t a lot of
infrastructure [such as Global’s] to move that crude east or west.”

To take advantage of that even more than it already has, Global has completed several deals this year, including purchasing a controlling interest in a North Dakota loading facility that connects via the BNSF Railway to a newly acquired crude and ethanol facility in Oregon.

In 4Q11, Global received 11 unit trains in Albany. In 1Q13, this jumped 900% to 130 unit trains received.

Gasoline. Global's gasoline distribution core assets have been since 2010 its Mobil-branded stations in New England. In 2012, Global bought out competitor Alliance Energy, adding 542 stations with multiple brands and exposure to New York and Pennsylvania. Global has also entered into long-term supply and service agreements with Getty Realty’s 200 gas stations and lease agreements for 90 of these stations. Global now has 10% of the the New England gas station market.

Next: compressed natural gas

Eric Slifka, Global CEO, has his eye on several new markets and new acquisitions, including natural gas. The company recently partnered with OsComp Systems Inc., an MIT energy spinoff with offices in Boston and Houston, to provide compressed natural gas to industrial and municipal customers in New England.

Global has already started building on the opportunity, announcing recently that it had won approval to develop a loading station in Bangor, where it will compress natural gas. {Global presentation to National Association of Publicly Traded Partnerships 2013 MLP Investor Conference 22.May.2013; Erin Ailworth in Boston Globe 9.June.13}

BUILDING PIPELINES DIFFICULT

“Given the expense . . . as well as public opposition to building a crude oil pipeline from the midsection of the country to either of the coasts,” said Gabe Moreen, an analyst with Bank of America Merrill Lynch, “rail has emerged as really the only economically viable alternative for getting crude to the coasts.” {Erin Ailworth in Boston Globe 9.June.13}

SOUTH PORTLANDERS OPPOSE PIPELINE

A citizens group in South Portland, the eastern terminus of the existing Portland Montreal Pipeline Company (PMPL) line between Portland and Montreal currently flowing westward [see 08#01B and 12#04A], is opposing a reversal of the flow. They are gathering signatures for a proposal on the ballot in November which would, proponents said, align with a comprehensive plan passed in 2012 calling for the city to phase out heavy industrial uses in the waterfront area.

The zoning provision, or “Waterfront Protection Ordinance,” would define and specifically allow the pipeline’s current use, moving imported oil from the PMPL terminal. A separate section would prohibit the expansion, construction, or installation of new equipment for loading of tankers for export.

Potential emissions. In 2008, a PMPL proposal included installing two 70-foot exhaust stacks; it was withdrawn in 2010. The stacks would handle the emissions from chemical gases burned off to reduce the risk of explosions or fire as oil products are loaded into tanks. Three similar stacks in South Portland now accommodate the loading of gasoline, heating oil, and jet fuel. PMPL is already permitted to release 220 tons per year of volatile organic compounds (VOCs); its 2008 permit for the project that was never completed, would allowed 39 additional tons per year. By comparison, the Sappi paper mill in Westbrook is allowed to emit 321 tons per year of VOCs, while Bath Iron Works is allowed to release 102 tons. {Matt Byrne in Portland Press Herald 7.June.13}
Pan Am figure

Some skeptics expressed to your editor that the Pan Am crude traffic dropped so precipitously to zero. MDEP reported that Pan Am did furnish data on moves of other petroleum products, listing crude as zero. {e-mail to ANR&P 18.June.13}

Sightings

In April, Pan Am reported zero, while MMA was near its record. In June thus far (as always, this list, compiled from rail observer sightings, does not contain every oil train that moved, and may list one train more than once):

Crude Pan Am

14 June, loaded oil train arrived Rotterdam Junction, then to East Deerfield. Off CSXT with BNSF power. {e-mail to ANR&P from source}
18 June, loaded oil train with 3 BNSF locos, one Pan Am, power at Portland. {NERails}

Crude CN

11 June, 10-15 cars inbound in Saint John on manifest train W406 from Moncton.(highest # in awhile)
19 June, about 45 tank cars (looking like crude cars) westbound on 405 out of Moncton.

Crude NBSR

6 June, mixed westbound with at least 15 tank cars, at least 3 locos.
10 June, eastbound in Saint John.
11 June, eastbound in Tracy
13 June, westbound in Tracy, 131 cars, no tank count but a long string of oil empties.
18 June, eastbound in McAdam, 80 cars.
18 June, eastbound #2 in McAdam, 59 cars. {RailsNB}

TIGER V (TIGER 2013)*

12 June, DC. USDOT HAS RECEIVED GRANT REQUESTS FOR NINE TIMES THE AVAILABLE MONEY, from all fifty states and other American entities. Some 568 applications totalling $9 billion will compete for $474 million.
The previous four rounds of TIGER provided $3.1 billion to 218 projects in all 50 states, selected from more than 4,050 applications requesting more than $105.2 billion. {USDOT press release}

USDOT declined to release any details of any of the proposals. {ANR&P discussion 12.June.13}

**Known application**
The Mountain Division proponents in Maine may have applied again. [See 13#05A].

**PW-CSXT-PAN AM: NEC COST-SHARING**
7 June, Montpelier. **COST-SHARING FOR THE NORTHEAST CORRIDOR HAS “MIND-BOGGLING DETAIL.”** said VAOT's Karen Songhurst, who serves on the Northeast Corridor Infrastructure and Operations Advisory Commission (Commission) [see box]. It was created by section 212 of the *Passenger Rail Investment and Improvement Act of 2008.*

Under both section 212, which covered commuter rail, and section 209 on intercity rail, the entities involved are required to reach a cost-sharing formula among all track users, with no one user subsidizing others.

**Getting off the ground**
Songhurst related that Vermont, Maine (NNEPRA), New Hampshire, and NYMTA joined the Commission as non-voting members because they “feed directly into it and are affected by it.” In Vermont's case, its *Vermont* operates on the Corridor to DC. “We are concerned that increased costs might affect our operations.”

The Commission held its first meeting about three years ago. Since 2008, years were required to “get through the red tape of creation” such as finding representatives who would commit to attending. The members then met for a year to get a sense of the mission, before hiring staff.

**Ambitious target**
Songhurst called “ambitious” the statutory deadline of October 2014 to agree on cost-sharing formulas. Now it has a “bunch of robust working groups, and subgroups” which are “working on this diligently.”

**Turn the problem over to the STB?**
The statute [see box] does permit the Commission to ask the STB to mediate, and ultimately to resolve the cost-sharing. However, said Songhurst, “the STB does not have the wherewithal” to handle such an enormous and complex task, in addition to its normal workload. Commission members want to complete this themselves. {ANR&P discussion}

**Staff comment**
Meredith Slesinger, the group’s director of policy and outreach, also called the requirement to craft a cost-sharing plan by October 2014 ambitious. And she said any funding arrangement must result in increased total spending on the corridor, not simply a shifting of federal costs to the states.

Andrew Galloway, chief of Northeast Corridor planning and performance for Amtrak, agreed that "there needs to be some equity that comes out of this." {Paul Nussbaum in *Philadelphia Inquirer* 7.June.13}

**PW, CSXT, Pan Am use**
In Connecticut, CSXT uses the NEC to serve customers by operating out of New York City, and out of New Haven. In Massachusetts, CSXT serves customers on the NEC between Mansfield and Attleboro.

PW serves customers on the NEC between New Haven and Providence. PW and Amtrak argued over the PW per car per mile figure. In 2003 an arbitrator, used per the track access contract, found for Amtrak and awarded a rate of $0.99 cents per mile. [See 03#04B.] PW reopened the question in 2004 [see 04#05A] but did not lower it [see 06#05A].

PAS operates on the NEC segment between Springfield and Berlin. It was not listed as a member of the Commission. In 2010 Pan Am President David Fink said Pan Am paid Amtrak $1.35 per car-mile, but Amtrak paid Pan Am, to operate the *Downeaster,* $0.35 per car-mile. [See 10#05B.]
Northeast Corridor Infrastructure and Operations Advisory Commission

State representatives
James Redeker, ConnDOT commissioner, chair*
Richard Davey, MassDOT secretary
Michael Lewis, RIDOT director
Joan McDonald, NYSDOT commissioner
and others from New Jersey, Pennsylvania, Delaware, Maryland, and DC.

Railroad representatives - non-voting
Jonathan M. Broder, Conrail
Steven A. Potter, CSXT
Darrell Wilson, NS
P. Scott Conti, PW

Other non-voting representatives
Michael Pillsbury, NHDOT
William Wheeler, NY MTA
Patricia Quinn, NNEPRA
Paul Worley, North Carolina DOT
Karen E. Songhurst, VAOT
Sean Connaughton, Virginia DOT

49 USC § 24905 (Section 212 of the Passenger Rail Investment and Infrastructure Act)
- Northeast Corridor Infrastructure and Operations Advisory Commission
The Commission consists of representatives of Amtrak, USDOT, the states, and '(D) non-voting representatives of
freight railroad carriers using the Northeast Corridor selected by the Secretary'.

Cost sharing requirement
'(1) Development of formula.— Within 2 years after the date of enactment of the Passenger Rail Investment and
Improvement Act of 2008, the Commission shall—

(A) develop a standardized formula for determining and allocating costs, revenues, and compensation for Northeast
Corridor commuter rail passenger transportation, as defined in section 24102 of this title, on the Northeast Corridor main
line between Boston, Massachusetts, and Washington, District of Columbia, and the Northeast Corridor branch lines
connecting to Harrisburg, Pennsylvania, Springfield, Massachusetts, and Spuyten Duyvil, New York, that use Amtrak
facilities or services or that provide such facilities or services to Amtrak that ensures that—
(i) there is no cross-subsidization of commuter rail passenger, intercity rail passenger, or freight rail transportation;
(ii) each service is assigned the costs incurred only for the benefit of that service, and a proportionate share, based
upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than 1 service; and
(iii) all financial contributions made by an operator of a service that benefit an infrastructure owner other than the
operator are considered, including but not limited to, any capital infrastructure investments and in-kind services;

(B) develop a proposed timetable for implementing the formula before the end of the 6th year following the date of
enactment of that Act.'

STB responsibility
The Commission shall '(C) transmit the proposed timetable to the Surface Transportation Board; and

(D) at the request of a Commission member, petition the Surface Transportation Board to appoint a mediator to assist
the Commission members through non-binding mediation to reach an agreement under this section.

(2) Implementation.— Amtrak and public authorities providing commuter rail passenger transportation on the Northeast
Corridor shall implement new agreements for usage of facilities or services based on the formula proposed in paragraph
(1) in accordance with the timetable established therein. If the entities fail to implement such new agreements in
accordance with the timetable, the Commission shall petition the Surface Transportation Board to determine the
appropriate compensation amounts for such services in accordance with section 24904 (c) of this title. The Surface
Transportation Board shall enforce its determination on the party or parties involved. {text of statute passed in 2008}
PW comment. Charlie Rennick, PW general counsel, wrote on 10 June: 'As a non-voting member of the NEC commission with a contractual right to operate on the corridor, P&W will continue to participate in the discussion regarding the allocation of cost among track users.' {e-mail to ANR&P}

Future freight use. The Northeast Corridor Infrastructure Master Plan 2010 stated:

‘On the NEC, the most critical freight need is to provide improved freight capacity to the Port of Baltimore and between Newark, DE and Perryville, MD. Substantial freight growth is also anticipated along the NEC for the ports of Providence and Quonset/Davisville, and on-line freight customers in Coatesville, Lancaster, New Haven, New London, Wilmington, Philadelphia, Boston, and Albany, as well as all NEC-accessed rail freight to Brooklyn, Queens and Long Island (via the Hell Gate Bridge), and the Delmarva Peninsula (via northern Maryland).

'The potential for expanded freight operating windows in Maryland will be discussed with the development of the Chesapeake Connector providing improved service between Northern Maryland and the Delmarva Peninsula. Freight operators have also stated a desire for more flexible freight operation on the NEC....

'The Master Plan assumes that low level station platforms on the NEC core will be converted to high platforms by 2030 to conform to ADA level boarding standards and improve infrastructure utilization by decreasing boarding times. High platforms, however, can interfere with freight movements on immediately adjacent tracks. Existing freight routes must be preserved by providing for a passing route around high platforms, either by diverting trains to center tracks with no adjacent platform; providing flip up edges on platforms; or using a gauntlet or run-around track. Amtrak also works with freight carriers to maximize freight utilization of the NEC in a way that does not interfere with passenger operations.' {page 11}

Improvements affecting freight. The Plan envisions electrifying the FRIP track, currently used by PW between Providence and Davisville, to permit commuter operation south of Providence. {text of Plan}

CONNECTICUT

NAUG: GRANT HELPS C&D*

11 June, Watertown. THE FROST BRIDGE C&D FACILITY IS MOVING TOWARD OPERATION, and NAUG's recent freight grant [see 13#05B] will enable it to serve the facility. In 2011, Frost Bridge Associates proposed a construction and demolition facility in Watertown [see 11#01A].

The remediation

Frost Bridge Associates received a $314,500 loan from the Connecticut Economic and Community Development agency for remediation and reuse work at its site in Watertown. {HartfordBusiness.com 17.April.13} Town Land Use Administrator Ruth Mulcahy said on 11 June that the work was complete, and only required one sign-off from the state. {ANR&P discussion}

The construction

Craig Lapinski, Fuss & O'Neill engineer for Frost Bridge, said two buildings must go up. One could cover a “hot spot” of environmental degradation and the other would contain the C&D processing. Work will start “very soon.” {ANR&P discussion 6.June.13}

NAUG comment

Howard Pincus, NAUG president, said on 7 June that Frost Bridge still wanted rail, and “we are still planning to serve them by rail,” assisted by the grant. It will also enable NAUG to better serve any potential customers in

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1 Serving on working groups for the plan from PW: David Fitzgerald, Joe Landry. From CSXT: Ed Hall, Charles Martin.
Torrington. “Nothing firm there, but some possibilities.” {ANR&P discussion}

Extended excursion service
The ConnDOT freight grant of $1,649,936 could extend excursion service, said Pincus. Currently, sightseeing trains first travel south from the Thomaston station through the Naugatuck River Valley, reaching into the northern part of Waterbury that was once home to thriving brass mills and other industries. On the return trip, the trains pass the restored Thomaston Station—where scenes for the Leonardo DiCaprio-Kate Winslet movie “Revolutionary Road” were filmed—and run atop the rim of the Thomaston Dam, before returning again to the station.

The refurbished Torrington line could allow for similar trips, with the dam being a dramatic feature at the beginning of the ride, along with the freight movement. Pincus said the line currently carries freight three or four times a year. {Esteban Hernandez in Litchfield Register Citizen 6.June.13}

CONNECTICUT PORT AUTHORITY: DEAD*
5 June, Hartford. THE GENERAL ASSEMBLY FAILED TO PASS THE PORT AUTHORITY BILL, though the State Senate did pass it in the final hours before adjournment this day.

The bill, SB 1043, would have:

- Empowered the PA 'to coordinate port development, with a focus on private and public investments, pursue federal and state funds for dredging and other infrastructure improvements to increase cargo movement through Connecticut ports, market the advantages of such ports to the domestic and international shipping industry, coordinate the planning and funding of capital projects promoting the development of such ports and develop strategic entrepreneurial initiatives that may be available to the state...'

- Substituted the PA for the Connecticut Maritime Commission (CTMC)

It would not have given direct authority over any ports to the PA. {General Assembly website}

MAINE

MERR: CHANGES*
14 June, Morristown, New Jersey. DON MARSON IS LEAVING THE RAILROAD, said Steve Friedland, who handles operations for the Morristown & Erie family of railroads. “He has made the decision. He's always been short-term, he's ready to move, probably into retirement.” [See Marson comments on Mountain Division in 13#05A.]

Contract extension
The initial operating contract between MDOT, which owns the tracks, and MERR began in October 2003 [see 03#10A], though MERR did not start operating until 1 November 2003 [see 03#11A].

Recently, MDOT asked MERR if it were willing to extend the contract to the end of 2014. According to the department's rail administrator, Nate Moulton, MDOT wanted to have more time to evaluate the ridership of the Downeaster, which now terminates in Brunswick [see 12#10B] whence MERR begins its service on the Rockland branch."We need to have a better idea if people are coming up to Freeport to shop and going back in one day, or if there is interest in going further up the coast," he said. If service continues under another operator, it would not likely be Amtrak in the foreseeable future.

MERR agreed, said Friedland. MDOT, which gets often inquiries – even international interest – from those who would like to operate on the Rockland branch, will put it out to bid next year.
Cement movement
Friedland said MERR still planned to start excursion service in August [see 13#05B People], and that “everything is fine” for the cement traffic. "We plug along." {ANR&P discussion; Christine Parrish in Rockland Free Press 13.June.13}

MERR: RETIREMENT FUND SCANDAL*
23 April, Bangor. A WORKER FOR THE RAILROAD RECEIVED RETIREMENT FUNDS WHILE CONTINUING TO WORK. George “Beetle” Bailey this day waived indictment and pleaded guilty in U.S. District Court to theft of government funds. He admitted that he retired from Springfield Terminal Railway on 31 July 2004, and began receiving a federal pension. Bailey used another person’s name and Social Security number when he worked for MERR 2007-2010. During that time, he earned $60,000 while receiving more than $83,000 in pension funds.

The Gordon Fuller/Bill Phillips case
In 2012 the former head of the Morristown, NJ-based freight railway company, and a project manager, were indicted for defrauding New Jersey. [See 12#04B.] The case is still pending. The charge against Bailey came out of the investigation into Fuller, according to the U.S. Attorney’s office. {Judy Harrison in Bangor Daily News 23.Apr.13}

Good words about Bailey
Jonathan Shute, former MERR general manager, wrote that Bailey 'was a Maine Central/Guilford track foreman with a big heart and incredible work ethic.' {e-mail to ANR&P 11.June.13}

MMA: BIOCOAL*
12 June, Millinocket. CATE STREET IS APPLYING FOR FINANCING OF THE TORRIFIED WOOD FACILITY HERE which would use rail. Cate Street Capital has three manufacturing efforts:

Great Northern Paper
Cate Street owns and is operating the paper mill in East Millinocket, served by MMA. In April, Cate said Great Northern Paper had fallen behind with some creditors because of higher than expected wood prices. [Cate Street spokesperson Scott Tranchemontagne said in mid-June that the company is working out a time-payment plan with Millinocket. It also is late with a tax payment of $450,000 to East Millinocket. {Nick Sambides in Bangor Daily News 17.June.13}]

Millinocket torrefied wood
The company announced in October 2011 that its first Millinocket torrefied wood machine, of five, would be installed by late 2012, then pushed that date to April 2013, and now has no construction start date.

The Finance Authority of Maine began reviewing Thermogen's application for bonding the plant. After the review, which will require two to three months, FAME will issue a $30 million, if the application meets its requirements. {Nick Sambides in Bangor Daily News 12.June.13}

Eastport torrefied wood
In Eastport, Thermogen wanted to start construction of another set of torrefaction machines in early 2014 [see 13#03A].
11 June, Ashland. **ECOSHEL ANNOUNCED A CEDAR SHINGLE MANUFACTURING PLANT** for the former Fraser lumber mill here. For the past two years Ecoshel worked on “beta production” of a patented cedar shingle system in Gainesville, Georgia, according to Bryan Kirkey, Ecoshel’s CEO.

Ecoshel plans to start with one production line, which would employ 78 people if all three shifts were staffed, Kirkey said. If the business grows and can capture 10% of the cedar shingle market, which Kirkey believes it can, he will add production lines, the business eventually could employ as many as 300 or 400.

To get the business up and running, Kirkey needs $3 million. He expects hiring to begin in late July or early August, to start production 1 September. {Whit Richardson in *Bangor Daily News* 12 June 13}

**Mill ownership**

Fraser Paper, the former owner, shut it temporarily in 2008. {AP in *Bangor Daily News* 17 Jan 08} In that decade, the mill railed out about 12 carloads a week of lumber. {Rail Freight Facilities of New England}

Fraser Timber LLC sold it to E.J. Carrier of Jackman at the end of 2012.

**Inbound rail for western red cedar**

In the beta-testing mode in Georgia, Kirkey explained on 13 June, the company was railing in western red cedar from Terrace, British Columbia, near Prince Rupert on the CN line to Edmonton. Ecoshel used both centerbeam lumber cars, which cost nearly $20,000 per car (including the dray on both ends), or containers which were even more expensive.

Moving to Maine meant the cost per car would drop roughly in half, with a siding; Ecoshel would get access to northern white cedar for a secondary product; and it got close to its largest market, New England.

CN provided a rough quote of $10,000 per car from Terrace to Ashland [presumably interchanging the car in Edmonton to an NBSR subsidiary for delivery to Ashland]. One car of logs translates into about 500 squares of shakes.

**Inbound truck for northern white cedar**

Another advantage of the Ashland mill comes in direct forest access. Trucks can move in excess of the 100,000-pound Maine highway weight limit over private roads to reach the mill, said Kirkey.

In addition, the Maine Legislature on 10 June passed a special bill, LD.1467, raising the weight limit on a public road in Ashland to 200,000 pounds. [See box for text.]
One of the bill's sponsors, State Senator Troy Jackson, said in April: “This change would allow significantly larger loads, up to 200,000 pounds. Trucks have traveled the Garfield Road before but this change would allow trucks to cross the bridge, then turn into the mill’s back entrance. A route about eight-tenths of a mile would be affected. The big hurdle was the bridge.”

According to Jackson, officials with the Maine Department of Transportation examined the bridge. “They feel the bridge is structurally sound to handle the weight. They’re comfortable the bridge will take the added weight, with some recommendations. That was a huge hurdle to get over. They recommended reconfiguring and strengthening (the road) for eight-tenths of a mile,” he said.

“Mill owners are responsible for at least 50% of the highway upgrade — roughly $400,000,” Jackson said. Increasing the weight limit would make doing business at the mill more affordable for a number of reasons. Fewer trips would be necessary to truck raw product from the woods to the mill, thus saving fuel, and would allow larger shipments to be delivered.

“Carrier is looking to put in a high-tech mill. I’ve met with the owners before. I’m excited to have the Carriers put down roots in Aroostook County. They’re people that do things and treat their people well,” said Jackson. “They’re very much invested in this.” {Kathy McCarty in Presque Isle Star-Herald 1.May.13}

Outbound truck or rail
According to Kirkey, the shingles would move outbound to East coast distribution centers by truck as currently planned, though he is willing to consider rail. {ANR&P discussion 13.June.13}

NBSR-MMA: DEAL CLOSED**
10 June. EMRY CLOSED ON THE PURCHASE OF THE VAN BUREN SUBDIVISION from the Montreal Maine and Atlantic Railway, including the international bridge from Van Buren to St. Leonard. All regulatory approvals are in place.

“The 28 miles of track is a vital supply chain link for raw materials and finished products from large forest products manufacturers on both sides of the border,” said Wayne Power, vice-president of J.D. Irving Transportation and Logistics Division, EMRY parent company. “This is a strategic investment in seamless, efficient rail service that will mean less freight transfer and the related savings in time and costs associated with direct service.” {Fiddle Focus 11.June.13}

STB exemption
On March 2012, the STB published EMRY's Notice of Exemption. {STB website, decisions page, FD 35598
EMRY filed for the Notice in February 2012 [see 12#02B].

Notice of consummation: end of track access
On 14 June counsel for EMRY David Benz of Thompson Hines filed the notice of consummation with the Board that EMRY had acquired the line, and the notice of assignment of trackage rights.

Under the latter, MMA had rights to operate from Madawaska to Millinocket over the line MMA sold to the state which was leased to MNR in June 2011 [see 11#05B]. MMA assigned the rights to EMRY, so that it presumably will no longer operate north of Millinocket. {STB website, decisions page, FD 35598 & 35598}

MASSACHUSETTS

GU: REFERRED TO STB*
12 June, Worcester. WORCESTER SUPERIOR COURT JUDGE JOHN MCCANN UPHELD THE PRELIMINARY INJUNCTION and referred the case to the STB, after receiving the case back from US District Court [see 13#05B]. The injunction said GU, with the exception of routine track maintenance, cannot construct the liquid propane transfer terminal until the STB decides. GU attorney John Mavricos said, “We’re pleased the matter will be referred to the Surface Transportation Board and hope to get a resolution as promptly as we can.” {Richard Price in Grafton Villager 12.June.13}

Financial costs of delay
In a 4 June affidavit [filed before the ruling], Eric Moffett, GU vice president of business development, said the railroad may have already lost business, because once a shipper finds a way of shipping its goods or commodities, it typically enters into an agreement to minimize costs by promising a certain volume of business over a period of time.

Propane delivery is a seasonable business that operates in a “winter market,” he said. Winter is the busiest time of year, he said, and the railroad will suffer significant monetary loss each winter the facility is not open.

Moffett said the railroad expects the facility to operate at a capacity of approximately 1,500 cars per year during the first two years of operation. At that capacity and based on the railroad's projected expenses – including insurance, equipment, personnel and other costs associated with operating the facility – and projected revenue, the railroad anticipates an annual net profit of $487,500. {Craig Semon in Worcester Telegraph and Gazette 13.June.13}

NS-PAN AM-BOSTON: ETHANOL BY RAIL*
11 June, Boston. THE MASSACHUSETTS GENERAL COURT HAS NOT ACTED ON THE SENATE AMENDMENT WHICH WOULD BAR GLOBAL from operating an ethanol terminal served by rail [see 13#05B].

No clear victory
State Senator Sal DiDomenico called the amendment a victory even though he expected Global Partners to challenge the law, if passed, in court. “It’s written in a way that we feel comfortable we’ve covered all our bases. For us, we feel confident we’ve come up with a plan that will stop Global Partner in their tracks.”

DiDomenico said the amendment, co-sponsored by State Senators Patricia Jehlen and Anthony Petruccelli, targeted the Global facility because the state doesn’t have control over the railroads. “We worked to make sure that facility wouldn’t be operational so that Global Partners wouldn’t transport the ethanol there because they couldn’t do anything with it if they did.”

However, in a letter to the Cambridge City Council, US Representative Michael Capuano said neither federal nor state law seems to provide ways to prevent ethanol from being transported through the community. "There are laws and regulations available to ensure safety, but bans on the transport of hazardous materials have
Cambridge Fire Chief Gerald Reardon, in a letter to the Council, cited an attempt by the Town of Ayer to impose conditions on Pan Am Railways’ proposed auto terminal, where a federal court struck down a set of 36 conditions as a violation of federal pre-emption. State Representative Tim Toomey said, “The federal government controls the railroads. It’s as simple as that. We have very limited, if any, input into this and it’s very frustrating from our viewpoint.”

Toomey believed any change to the law would have to come through Congress, rhetorically adding, “What do you think the odds are of getting that through Congress right now?” {Erin Baldissari in wicked local cambridge’ 5 June 13}

NEW HAMPSHIRE

PAN AM-MBTA: PLAISTOW EXTENSION*
5 June, Concord. THE EXECUTIVE COUNCIL AUTHORIZED AN AGREEMENT WITH HDR ENGINEERING of Boston 'to evaluate the potential development of an extension of commuter rail service operated by the Massachusetts Bay Transportation Authority, from Haverhill, MA to Plaistow, NH, for a fee not to exceed $658,316. Effective upon G&C approval through March 31, 2015,’ to be paid for entirely with federal funds. {Executive Council agenda item 230, from website}

PAN AM-NHDOT-MBRX*
15 May, Concord. THE COUNCIL DISCUSSED THE NHDOT-PAN AM CONTRACT FOR THE HILLSBOROUGH BRANCH BEFORE REJECTING IT. According to the audio recording of the meeting available on the Executive Council website, the Council resumed considering agenda item 111, which it tabled on 1 May [see 13#05B].

Clement explanation of non-responsive
Chris Clement, NHDOT commissioner, explained to the Council that “the selection committee” decided [the Leishman bid] was non-responsive” with a number of elements missing, including name of corporation, contact person, names of stockholders, maintenance plan, and locomotives and equipment.2

[2 Clement did not mention, nor did any councillor ask him, why the department interrupted the selection committee process. The committee had questions for both parties which replied to the RFP – see 13#05A.]

Will Pan Am operate?
Councillor Van Ostern quizzed Clement on whether “you believe that we will in fact have regular rail...before end of 2015....Not whether you hope, ...but...whether you think given the parties and the issues at play, we will see regular rail.”

After some dodging of the question, Clement did say that while “I can't tell you yes or no....[but] I do think they will work it out.”

Pan Am and Granite State talking
Clement reported that the railroad and the only customer, Granite State, had “discussions late last evening.” He hoped they would come to agreement “going forward.” The state gave “enough time but not too much time” for them to reach agreement, and if they don't, at the end of 2015 “we start the process all over again.”

The state should not play favorites
Councillor Chris Sununu asked if there is “any reason why this contract should not get approved...The group

2 The Leishman response to the bid stated he was the “president and sole stockholder’ and noted that 'MBRX continues to maintain on the property well-maintained rolling stock including a locomotive, control car, and rail hopper cars sufficient to move the maximum-size train between the quarry in Wilton and processing plant in Milford.'
[Pan Am] has experience....In my mind there is no alternative.” If the state bent its rules to accommodate Leishman, that was “starting to play favorites...a dangerous thing for the state to do.”

**Pappas on-site visit**
Councillor Chris Pappas said “I spoke with Granite State last week [see 13#05B]. [It was] productive to get out in the field.” Getting “up to speed” on the contract issues was difficult.

Pappas noted that traffic is running, but “the state is seeing no benefit.” Clement agreed the state was seeing “no benefit because [MBRX operates under a] federal right for movement to happen.” Pappas wanted to “move forward as quickly as possible so the state could get funds.”

“...My understanding is that this is a difficult proposition. There's no guarantee the state will see any revenue....The one customer...has serious concerns [about working with Pan Am].” Granite State's current rate is at the break-even point, and it would ask itself if it made “sense to continue...or start trucking.”

Pappas said the state should “redo the RFP [and] get two responsive propositions on the table.” The MBRX response “was in fact non-responsive. I don't doubt that you did anything improper.”

**Councillor Burton no**
Burton announced he would vote no. He noted that Leishman sent money to the state, but the state refused it. “Put it out to bid again.”

**Councillor Pignatelli on Pan Am**
Debra Pignatelli said she was voting no because of Pan Am's earlier behavior as a “main obstacle in thwarting rail to Nashua and southern New Hampshire.” Pan Am “has not been a good corporation citizen” and needed “a major shift in attitude.” [Pan Am President David Fink was present at the hearing.]

She had “talked with the owner Granite State and he had no willingness to give business to this proposed vendor...He will have to truck...which is not good for roads.”

Pan Am's past is “so checkered it's dizzying.” Pignatelli recited Massachusetts Attorney General Martha Coakley's winning in March of 2009 the $500,000 fine against Pan Am [see 09#03B], “the largest criminal environmental fine in the history of the Commonwealth.”

Coakley, said Pignatelli, recited Pan Am's “long track record of violating the environmental laws.”

**Should a private company dictate to whom the state gives business?**
Councillor Sununu called the MBRX response to the NHDOT “insulting what [it] put forward....A private company is now going to dictate with whom and how we do business in this state....[Should we give the contract] to a bidder who insulted us in the first place?” He had not talked with Granite State because he did “want to be very independent.” This is why the Executive Council exists, so contracts are not justrammed through.

Pignatelli responded that her vote had “little to do with Granite State,” rather with the background and history of Pan Am “and the knowledge I have of them dealing with them for years and years and years....I'm not pleased with all contracts I vote for. I am not letting the owner of the business dictate my vote.”

**What next?**
Commissioner Clement was asked that question. He told the Executive Council:

"We can put it back out to bid, do nothing, or sell the line....Those are the three options." {recording of hearing from Executive Council website}

Leishman has offered to buy the line from the State. {editor}

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3 The state took more than a year to negotiate and then award the contract to Pan Am. {editor}
MBRX-NHDOT-PAN AM: UPDATE*

7 June, Concord. NHDOT WILL PUT OUT A NEW RFP IN THE COMING WEEKS, said Deputy Commissioner Michael Pillsbury to MBRX owner Peter Leishman. {ANR&P discussion with Leishman} Spokesperson Bill Boynton confirmed; the department will issue a new RFP 'later this summer'. {e-mail to ANR&P}

Track access agreement postponed

Until 2004, MBRX and Pan Am had an agreement in force governing the MBRX use of the Pan Am track three miles to the Granite State facility in Milford. Though by its terms it expired, both have abided – except for Pan Am's banning Leishman 'for life' – by it.

Leishman 12 June wrote Executive Vice-president Cindy Scarano this: 'As you know, the terms of the trackage rights agreement between the B&M/ST and the MBRX expired nearly nine years ago. Attorney Burns and I had been discussing new terms some time ago. However, Attorney Burns last week informed me that the matter is out of his hands. Is there any interest on your part to negotiate new terms?

'If so, I am more than willing to discuss new terms that would be beneficial to both carriers. Additionally, several years ago, Attorney Burns suggested seeking the assistance of the STB to resolve this matter. Again, I would be agreeable to ask for the assistance of the STB to help with discussions/negotiations.'

On 12 June Burns called Leishman to state that Pan Am will postpone discussion on the agreement until the outcome of the RFP. {e-mail to ANR&P}

NHDOT-MBRX: REALLY?**

RIGHT TO KNOW REQUESTS

9 May: selection committee muzzled

On 9 May, members of the NHDOT selection committee, which had sent a request for answers to questions to both MBRX and Pan Am [see 13#05A], were told on 9 May [after one on 7n May explained what happened when the committee met in 2012 – see 13#05A] to say nothing.

From: Patrick Herlihy [mailto:PHerlihy@dot.state.nh.us] Sent: Thursday, May 09, 2013 11:45 AM
To: Timothy J. Thompson; Tim Roache (TimR@nashuarpc.org); Louis Barker; Christopher Morgan
Cc: Karen Schlitzer
Subject: Hillsboro Branch RR Line - Confidentiality

Good Morning,

As you are aware, the Governor and Council is contemplating a vote on the Operating Agreement for the Hillsboro Branch Rail Line. Please be advised that all information with regard to the selection process must remain confidential until further notice. If you have any question, please contact Karen Schlitzer, Senior Assistant Attorney General at 271-3650 or by email at Karen.Schlitzer@doj.state.nh.us

The questions were submitted to Pan Am, but not to MBRX.

22 May: request for papers declined

The New Hampshire Attorney General's Office declined to release internal papers relative to the first RFP. On 22 May Karen Schlitzer, senior assistant attorney general, wrote to Leishman:

This email in response to your email to Ann Rice of May 15, 2013 requesting a “copy of all the responses and the selection committee's questions concerning the RFP for the operation of the State owned portion of the Hillsboro Branch.”

This email also responds to your email to me of May 21, 2013 requesting “all responses and the selection committee's report, questions and recommendations regarding the same.”

I am also responding to your voicemail left for me on May 20 requesting a copy of anything PanAm filed for the operation of the State Owned portion of the Hillsboro Branch and the questions that you claim the committee had for you. As you know, the Operating Agreement with the Springfield Terminal Railway Co. (item # 111 on the G&C Agenda of May
1, 2013) was not awarded by the Council.

In addition, the Department of Transportation (DOT) is considering how it will proceed with respect to the rail line and is contemplating the issuance of another Request for Proposals. Therefore, the records you requested cannot be disclosed pursuant to RSA 21-I:13-a. II because such disclosure would undermine the integrity of the bidding process regarding any future Request for Proposals.

If DOT determines that it will not pursue another RFP, I will let you know that. Also, as I’ve informed you before, DOT can provide a copy to you of your own proposal, not pursuant to RSA chapter 91-A, but on the basis that it is a document that you submitted. Given that I’ve previously provided you a copy of your proposal, I presume you don’t want another copy. If you do, however, please let me know. {text supplied by Leishman}

13 June: no papers exist [?]

On 13 June Assistant Attorney General Rebecca Woodard wrote to MBRX attorney Craig Donais:

I am writing in response to your June 7, 2013, letter to Attorney Schlitzer requesting documents under the Right to Know Law. I’m responding on behalf of the Department of Transportation and Department of Justice.

You requested documents relating to “the questions promulgated by the committee (for MBRX)” and “any communications between and state officials, state employees, and members of the committee as to when, why or how any decision was made to withhold submission of these questions to MBRX.” There are no responsive documents within either agency.

Additionally, in your request, you raised issues regarding RSA 21-I and your client’s status as a responding bidder. Because there are no responsive documents, it is unnecessary to address these issues. Please feel free to call me if you have questions regarding this response. {text of letter}

18 June: NHDOT relies on statute

Woodward expanded on the department's reasoning in an e-mail to Leishman on 18 June:

Dear Mr. Leishman,

…You have asked why the bidding process is confidential. Pursuant to RSA 21-I, in order to protect the integrity of the bidding process, the legislature has declared that no information shall be public until the bid is actually awarded. RSA 21-I:13-a, II. In this instance, no bid was awarded at the May 15, 2013, Governor & Executive Council meeting, and DOT is weighing its options for moving forward including the possibility of re-issuing a Request for Proposals. {text from Leishman}

RHODE ISLAND

PW: POND VIEW FINAL MOVES?*

10 June, East Providence. PW HAS MOVED AT LEAST 10 EMPTY CARS INTO THE POND VIEW FACILITY, according to one rail observer. {e-mail to ANR&P}

Susan Forcier, the assistant attorney general at the Department of Environmental Management (RIDEM), wrote on 11 June: 'The closure work (removal of the piles of C&D debris that were left on-site when the business went into receivership and closed) is underway at the site.' {e-mail to ANR&P}

Fuss & O'Neill hired

On 24 May RIDEM announced that under the terms of a Performance Agreement between DEM and Fuss & O'Neill, an engineering firm practicing in the Northeast [see NAUG article] and the party performing the cleanup, closure of the site must be completed within 60 business days and performed in accordance with the closure plan and all license requirements, laws, rules and regulations. The intent of the party performing the closure is to remove most of the material via rail; recyclable material will be removed via truck. {RIDEM press release}
VERMONT

VRS: ROAD BRIDGES PRESENT OPPORTUNITY

4 June, Middlebury. **TWO AGING SPANS OVER VRS TRACKS SHOW ALARMING SIGNS OF WEAR AND TEAR, AND** do not provide the 23 feet of vertical clearance prescribed under national rail standards. Mark Colgan, the VHB engineer who this day led a public meeting on options, listed these:

1. Do nothing. This option will be quickly eliminated because it does not satisfy local, state, and federal requirements for the bridges.
2. Repairing the bridges, at a cost of around $2 million. VHB officials see no advantages to this scenario, which they don’t believe could meet state and federal standards.
3. Replace the two spans with a concrete tunnel, providing a vertical clearance of 20 feet, 9 inches (requiring special permission because it falls short of the federal standard), at a cost of around $14.6 million. The tunnel, Colgan said, would give the downtown some extra surface area by filling in the space between Triangle Park and the town green. The disadvantage is that it would not provide the full 23 feet of vertical clearance requested by federal authorities.
4. Replacing the two bridges with new spans, at a cost of around $13.1 million in a manner that would provide 20 feet, 9 inches of vertical clearance. This would accommodate double-stack rail cars, but not meet the 23-foot clearance threshold.
5. Replacing the bridges with a tunnel, at a cost of $17.4 million, which would meet the 23-foot vertical clearance mandate. But this is a project that Colgan said would require a water (drainage) pumping system and could require some modifications to the Elm Street railroad overpass located up the track.
6. Replacing both bridges in a manner that would allow 23 feet of vertical clearance, at a cost of approximately $15.9 million. This project, too, would require a pumping system and possibly some Elm Street overpass modifications, according to Colgan.

**Doublestack the goal; challenges ahead**

“The goal is to run double-stack cars from Rutland to Burlington,” Colgan said of future rail traffic influencing the project. “The current vertical clearance will not allow that.”

He described challenges, with construction tentatively slated to begin next spring, in no particular order:

- Gradually deepening the rail bed in a manner that will produce at least another three to four feet of clearance beneath the overpasses. This has to be done gradually, Colgan explained, in order to not dramatically increase
the grade of the tracks for trains. Officials anticipate realigning the track slightly in some locations, allowing it to achieve a speed-bearing capacity of up to 30 miles per hour, though Colgan does not anticipate trains will be going that fast.

- Dealing with drainage issues. Colgan presented photos at the meeting showing water pooling on the tracks at their current depth, never mind what might occur when the rail bed is excavated. This could set up the need for a pumping system to keep water off the tracks and discharge it safely somewhere else, though engineers will try to use gravity to their advantage. It should be noted that the track runs very close to the Otter Creek.
- Preserving, to the greatest extent possible, the historic stone retaining walls that border the bridges. The preferred project might require removing portions of the walls, which Colgan said could be re-purposed within the construction.
- Removing some of the dense stone and ledge that is suspected to be in the project area.
- Doing construction in a way that will provide minimal disruption to neighbors, local businesses, commuters and train traffic.

The contractor will conduct work in a manner that will allow VRS to maintain its two daily runs through Middlebury. {John Flowers in *Addison Independent* 6.June.13}

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**MARITIMES**

**CN: MOVING GLYCOL**

6 May, Truro. *INLAND TECHNOLOGIES HAS VERY RECENTLY OBTAINED CERTIFICATION TO RE-USE GLYCOL FOR AIRCRAFT DE-ICING*, said Hassan Nabi, purchasing manager, though Inland has not yet begun supplying the glycol for re-use. To purify the fluid for re-use Inland first reprocesses it to a 60% solution, and then to 99%.

Inland has, at this point, one facility for this second process, a distillation system, located in Portland. “The movement will still be there,” by rail or truck, of the reprocessed de-icing fluid.

For example, in Denver and Toronto airports, Inland provides a turnkey operation which does not accept outside de-icing. At the Halifax airport, Inland operates a facility with excess reprocessing capacity, which also handles the Winnipeg and Quebec City recovered de-icing fluids.

In Portland, Inland operates a facility which trucks out its reprocessed glycol to industrial locations. And at Bradley airport in Connecticut, Inland's facility rails out its reprocessed glycol.

**Current rail operations in Nova Scotia**

Nabi said that tank cars leased to Inland currently carry the recovered de-icing fluid from Winnipeg and Quebec City to a spur in Brookfield where the fluid is transloaded to truck for the Halifax airport.

The reprocessed glycol is trucked back to Brookfield for loading into railcars and movement to industrial customers. Movements amount to about one car per week inbound; the empty goes back to the originating airport. About once a month, Inland will load a car with the reprocessed fluid for outbound movement.

**Enough tank cars?**

In 2006 [see 06#01B] Inland could not get enough tank cars, and was forced to do more trucking. Now, said Nabi, it has enough tank cars for its traffic, all leased. They are not specific to glycol, as that is not a hazardous substance. {ANR&P discussion; Inland website}

**HALIFAX: CERES WINS**

6 June. *THE ASIAN G6 ALLIANCE WILL ANNOUNCE SOON A THREE-YEAR SERVICE AGREEMENT WITH CERES*, the northern container terminal in Halifax, a port source said. Ceres and Halterm, the southern terminal, competed for the business. {Discussion with Tom Peters ANR&P correspondent 6.June.13} The G6 will call Halifax 17 June with its new AZX Asia via Suez service. [See 13#05A.]
Calvin Whidden, senior vice-president at Ceres and terminal manager, while leaving an official announcement to others, said: “It doesn’t take much to figure out what took place in this free enterprise world. There were two rounds of negotiations for the same business so it was a tough run.”

Whidden said Halifax would be the first port of call for imports and the first port for export. “The lines don’t know yet how much business will be on the new service but everyone is hoping for around 1,200 lifts a week in Halifax.” AZX is weekly, AEX was twice weekly. Whidden noted exports will take longer to get to their destination, he said. How that will impact business is yet to be determined.

Larger ships
The new service will use bigger ships. Hapag-Lloyd has already had three vessels with 7,500TEU capacity call at Ceres. Whidden says those three vessels will be used in the service. APL will provide the other ships required which are expected to be over 6,000TEU ships. The other four partners in the service will slot charter on the vessels. {discussions with Peters 6.June.13}

Halterm President and CEO Ashley Dinning congratulated Ceres for winning the G6 business. “It was competitive. We gave it our best shot. I do congratulate them on such a spectacular job that they (Ceres) did,” he said. {Andrew Macdonald in allNovascotia.com 31.May13}

RAIL FREIGHT FACILITIES

Described in this issue.
Ecoshel (NBSR, Maine) To open in Ashland.
Frost Bridge (NAUG, Connecticut) C&D to open.
Global ethanol (Pan Am, Massachusetts) More resistance.
GU Propane (GU, Massachusetts) To STB.
Inland Technologies (CN, Nova Scotia) De-icing glycol.
Pond View (PW, Rhode Island) last few cars.
Thermogen (MMA, Maine) Bond request.

PEOPLE, EVENTS

On 1 April, Jonathan Shute was appointed Manager of Training, Compliance, and Safety for Massena Terminal, New England Central, and Connecticut Southern Railroads in the Genesee & Wyoming Northeast Region. He reports, 'really enjoying it.' Shute served as general manager of MERR before moving to NECR.
** ATLANTIC NORTHEAST RAILS & PORTS **

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   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 **