Formal issue 13#08A 19 August 2013

**Regional Article**

MMA operations
- Not carrying crude?
- More on Jackman customer
- Discussed sale; $3M rev/month now $1M.*
- CTA suspends certificate of fitness.*
- CTA lets MMA operate until 1 October.

MMA bankruptcy protection:
- Files for, wins, bankruptcy protection in Maine.*
- Wins protection in Quebec.*
- List of creditors.*
- Box on 2001 bankruptcy.*
- Filings by others, next hearing.

Crude oil: Rail moves.*

Energy East: Pipeline opposition.*

Crude oil: Reasons to favor rail over pipeline.*

Portland-Yarmouth: STMQuest negotiate contract.*

NB&M: Formation.*

East of Hudson: Task force meets on Long Island.*

**New York**

[No report.]

**Quèbec**

Lac Megantic:
- Slow orders on the MMA lines.
- Quebec instates CP as liable. *Statute.* CP denies.
- Two locomotives return from inspection (?).*

**Connecticut**

[No report.]

**Maine**

Pan Am-Portland: Phin Sprague completes boatyard acquisition, but track to IMT not included.

**Massachusetts**

CSXT: Engine facility.*

Correction: GU track to Milford not open.*

GU: ASLRRA support. *Box on 2004 STB ruling.*

Pan Am: Winchester seeks STB reconsideration.*

BCLR: Will terminate Needham and Dover lines.*

PVRR: United Waste C&D facility within weeks.*

**New Hampshire**

[No report.]

**Rhode Island**

[No report.]

**Vermont**

[No report.]

**Maritimes**

CN-Halifax: Grain by rail, not by ship.

*Rail Shippers/Receivers*

A cross-reference to companies mentioned here.

*People, Positions, Events*

Event: VRS 50th anniversary.

**Editorial**

Guessing who will succeed MMA.

**From the Publisher**

Fewer pages
This issue has 24, not 34. I've reprinted a 2011 map and a 2003 article. Do you appreciate them, or should I only refer you to the original?

- Chop Hardenbergh

Next formal issue 3 Sept.
REGIONAL

MMA OPERATIONS: NO MORE OIL?
7 August, Rosemont. BURKHARDT WILL NO LONGER SOLICIT CRUDE OIL, he said, correcting an earlier quote from the Montreal Gazette on 5 August which wrote: “We don’t plan to continue with oil transportation. That traffic is going to go other ways, not over our lines.” {Reuters citing Gazette}

Asked by your editor whether he would turn away crude oil tendered to him in apparent violation of the common carrier obligation, Burkhardt wrote this day: 'Not carrying and not soliciting are two different things. Realistically speaking, in today’s deregulated environment, the common carrier obligation is 99.9% dead.' {e-mail to ANR&P 7.Aug.13}

MMA OPERATIONS: DIVERSION
July, Jackman. MOOSE RIVER LUMBER, WHICH PRODUCES ABOUT 120 MILLION BOARD FEET A YEAR, according to the company's website, has moved about 30% of its traffic over the past 10 to 12 years. Sales Manager Steve Banahan said he is still using MMA for outbound traffic but only once per week rather than the earlier three times a week as MMA service has declined. Cost has increased $500 to $1500 per lumber car.

The company, which processes spruce fir from Maine and Quebec and turns it into dimension lumber for building houses, relies on the railroad for bringing logs in as well as shipping lumber out. The lumber formerly went west through Lac-Megantic on its way to Montreal, before distribution on the eastern seaboard, Banahan said. {Amanda Hill in WCSH-tv 31.July.13; Rachel Ohm in Waterville Sentinel 8.Aug.13}

Number of railcars
Various websources say a 73-foot lumber car carries about 110,000 board-feet of lumber. Moose River produces about 1000 railcars' worth, then, or about 300 cars a year if 30% move by rail. Editor

MMA: THE STRUGGLE TO SURVIVE*

Attempted sale
Roger Clement, MMA bankruptcy attorney at the Verrill Dana law firm in Portland, reported that MMA discussed a sale with potential buyers, but nothing "jelled." He added that a decision about selling the railroad may be made over the next few weeks. {Tom Bell in Portland Press Herald 7.Aug.13}

Crude oil revenues
According to CFO Gardner's affidavit, 'Until the accident MMA had been hauling about half a million barrels a month' to the Irving refinery. 'This business played an important part in MMA System's aggregate gross revenues of approximately $3 million.'

'Post-Derailment, MMA's gross revenues swiftly declined to approximately $1 million per month. MMA is hopeful that Canadian authorities will permit through service to be restored shortly. Given the dramatically reduced cash flow and increased liabilities, a bankruptcy filing is the only option to preserve the value of the system.' {page 6}

MMA OPERATIONS: CANADIAN CERTIFICATE SUPENDED*
13 August, Ottawa. IN AN ORDER THE CTA SUSPENDED THE CERTIFICATE OF FITNESS OF MMA AND ITS CANADIAN SUBSIDIARY, finding that the railways have not demonstrated that their third-party liability insurance is adequate for ongoing operations.

According to a press release this day, given the exceptional circumstances of the derailment in Lac-Mégantic, the Agency contacted MMA and MMAC seeking confirmation that they continued to hold adequate third party liability insurance coverage with respect to any continuing operations as stated in their certificate of fitness.

The Agency reviewed the companies’ insurance coverage and additional information they provided and
it is not satisfied that MMA and MMAC have adequately restored their third-party liability insurance coverage to the same level as prior to the derailment at Lac-Mégantic, nor do they have the financial capacity to pay the self-insured portion.

The Order gives MMA a week
Order No. 2013-R-266 suspends Certificate of Fitness No. 02004-3 effective August 20, 2013, permitting MMA and MMAC time to arrange for the orderly cessation of their operations in Canada.

“This was not a decision made lightly, as it affects the economies of communities along the railway, employees of MMA and MMAC, as well as the shippers who depend on rail services. It would not be prudent, given the risks associated with rail operations, to permit MMA and MMAC to continue to operate without adequate insurance coverage,” noted Mr. Hare.

General review of liability insurance in Canada
The tragic derailment in Lac-Mégantic has raised important questions regarding the adequacy of third-party liability insurance coverage to deal with catastrophic events, especially for smaller railways. Increasing shipments of crude oil and other hazardous materials by rail highlight the need to determine how best to ensure that railways, small and large, have appropriate levels of third-party liability coverage, including for possible catastrophic events such as Lac-Mégantic.

Accordingly, this fall, the Agency will undertake a consultation and review of adequacy of insurance coverage requirements for the issuance of certificates of fitness required by federally-regulated railways. {CTA website}

TEXT OF CTA ORDER OF 13 AUGUST
Montreal, Maine & Atlantic Railway, Ltd. (MMA) and its wholly-owned subsidiary Montreal, Maine & Atlantic Canada Co. (MMAC) hold Certificate of Fitness No. 02004-3 issued by the Canadian Transportation Agency (Agency) pursuant to section 92 of the Canada Transportation Act, S.C., 1996, c. 10, as amended (CTA), which permits them to operate a railway in Canada as set out below.

MMA to operate a railway:
between the Canada/United States border at mileage 32.63 of the Newport Subdivision and the Canada/United States border at mileage 43.32 of the Newport Subdivision;
between the Canada/United States border near Saint-Léonard, New Brunswick and Saint-Léonard, New Brunswick [since sold to EMRY – see 13#06A];

MMAC to operate a railway:
between Saint-Jean, Quebec and Lennoxville, Quebec; between Ste-Rosalie, Quebec and Farnham, Quebec; between Farnham, Quebec and Stanbridge, Quebec; between Brookport at mileage 0.0 of the Newport Subdivision and the Canada/United States border at mileage 26.25 of the Newport Subdivision;
between Lennoxville, Quebec and the Canada/United States border near Boundary, Quebec; and
by virtue of an interchange agreement with the Canadian Pacific Railway Company, on the Canadian Pacific Railway Company's Adirondack Subdivision between Saint-Jean, Quebec and Saint-Luc Junction, Quebec.

Subsection 94(2) of the CTA states that the Agency may suspend or cancel the certificate of fitness if it determines that the liability insurance coverage is no longer adequate.

Following the tragic derailment at Lac-Mégantic, Quebec on July 6, 2013, the Agency undertook an investigation to determine whether MMA and MMAC, as holders of the said Certificate of Fitness, can satisfy the Agency that they continue to have adequate third-party liability insurance coverage for their ongoing operations.

To this end, by letter dated July 10, 2013, the Agency requested insurance and financial information from MMA and MMAC. Upon receipt of a response, the Agency, by letter dated July 26, 2013, directed further questions to MMA and MMAC.

Lack of adequate insurance
According to MMA’s and MMAC’s insurance broker, the Lac-Mégantic accident has resulted in the impairment of the
aggregate limit by one half. Despite being asked to provide evidence of additional insurance to restore their insurance level to what existed prior to the Lac-Mégantic derailment, MMA and MMAC have failed to do so.

As indicated in its letter of July 26, 2013, the Agency is of the opinion that, in these exceptional circumstances, MMA and MMAC must maintain as a minimum the original level of coverage and restore the aggregate limit to its level before the Lac-Mégantic derailment. To do otherwise would be untenable in the event that further occurrences materialize as one further occurrence may result in the full depletion of the coverage and the need for an instant cessation of service.

MMA and MMAC have filed a petition under the Companies’ Creditors Arrangement Act with the Superior Court of Quebec. The petition, which was granted on August 8, 2013, states that “While the Petitioner holds insurance covering certain of the Train Derailment Claims..., as the amount of said Train Derailment Claims is ever increasing, it has become evident that in the event of a determination that the Petitioner ...[is] liable and that the Train Derailment Claims are valid, the amount of insurance coverage will not be sufficient to cover all of the Train Derailment Claims.”

At the same time, MMA has filed with the United States of America Bankruptcy Court in the district of Maine for protection under Chapter 11 of the United States of America Bankruptcy Code and this, too, has been granted.

Analysis of financial statements

With respect to the self-insured retention amount, which is the amount for which an applicant takes financial responsibility outside of an insurance contract, the Agency performed an analysis of MMA’s parent company, Montreal, Maine & Atlantic Corporation (MMA Corp.) consolidated financial statements provided for the years 2009 to 2012. The Agency needs to be satisfied that MMA and MMAC are able to pay the self-insurance portion for the claims related to the Lac-Mégantic derailment, as well as an additional amount equivalent to two further portions in the event of two further claims under the aggregate. Upon reviewing the financial capacity of MMA Corp., the Agency has concluded that MMA Corp. is not financially capable to absorb even the first self-insured retention amount.

Summary

In summary, having reviewed MMA’s and MMAC’s information on record with the Agency, as well as all the additional information supplied by MMA and MMAC, the Agency is not satisfied that MMA and MMAC currently have adequate third-party liability insurance coverage at the same level as prior to the derailment at Lac-Mégantic or the financial capacity to pay the self-insured portion.
Based on the above findings, the Agency, pursuant to paragraph 28(1)(a) and subsection 94(2) of the CTA, suspends Certificate of Fitness No. 02004-3 effective August 20, 2013. This delay in coming into effect should permit MMA and MMAC time to arrange for the orderly cessation of their operations in Canada.

This Order shall be affixed to Certificate of Fitness No. 02004-3 and the suspension of the Certificate of Fitness shall remain in effect until further order of the Agency.

Due to the confidentiality of some of the information filed, a separate letter will be issued to Montreal, Maine & Atlantic Railway, Ltd. and its wholly-owned subsidiary Montreal, Maine & Atlantic Canada Co., in confidence, setting out the more detailed reasons for the determination that they no longer meet the liability insurance coverage requirements.

Appeal?
According to the CTA website:

'Any Agency decision is subject to the following conditions:

it is binding upon the parties and remains in effect until it is amended or rescinded;
it may be reviewed by the Agency, if there has been a change in the facts or circumstances;
it may be appealed to the Federal Court of Appeal on a question of law or jurisdiction, within one month after the date of the order or decision; and
it may be appealed to the Governor in Council at any time.'  {text of order and appeal language from website}

Burkhardt comment: no interest in rail at Tafisa?
On the afternoon of the CTA announcement, MMA chair Ed Burkhardt wrote:

'I’m not sure what we will be doing about this, or how it relates to the court’s order in the bankruptcy case. Our effort has been to preserve service at all stations, recognizing that would preserve the value of the estate and provide vital rail service to local industries.

'But this has been difficult in any case with respect to cash flow due to the line being out of service at Lac Megantic, and apparent lack of interest on the part of anyone to restore rail service there.

'You should recognize that we have $25 million in insurance in effect right now. The CTA’s major concern was that we now don’t have an additional $25 million in place behind that for a subsequent event.

'We will issue a press release in due course.'  {e-mail to ANR&P 13.Aug.13}

MMA OPERATIONS: CERTIFICATE EXTENDED
16 August, Ottawa. THE CANADIAN TRANSPORTATION AGENCY RESTORED THE CERTIFICATE OF FITNESS TO 1 OCTOBER, it said an announcement late this day. CTA reversed its earlier suspension as of 20 August [see above] when it determined that the railway had sufficient coverage to operate in the short-term. A CTA statement explained the new decision is based on new information provided by the company. It stressed the extension is for a short time period.

'Based on the new evidence provided today, the agency is satisfied that this provides adequate third-party liability insurance coverage for operation from August 20 to October 1, 2013.' The extension is conditional on MMA providing confirmation by 23 August that it has secured enough cash to pay for the self-insured portion of its coverage.  {CTV news 17.Aug.13}

MMA: BANKRUPTCY FILING*
7 August, Bangor. THE MONTREAL, MAINE, AND ATLANTIC RAILWAY FILED FOR PROTECTION here in US Bankruptcy Court.

A statement by MMA this day read in part: 'MMA wishes to continue to work with the Québec Ministry of the Environment, the municipality of Lac-Mégantic, and other government authorities in the continuing environmental remediation and clean-up as long as is necessary, and will do everything within its capacity to achieve completion of such goal.

'The company further advises that essential rail services will continue at all stations in Québec, Maine, and Vermont subsequent to the Court filings (with the exception of Lac-Mégantic itself), and that service to industries at Lac-Mégantic could be restored as soon as the authorities allow such service and to the level that
they consider appropriate. The companies currently employ 85 people. Employees of both companies who provide continued services will receive their wages and benefits under the laws of both the United States and Canada.' {MMA website}

According to the documents filed in Bangor:

**CHAPTER 11**
Under US Bankruptcy Code, railroads are not permitted to file under Chapter 7 (liquidation) but only under Chapter 11 (reorganization).

**SALE OF COMPANY**
According to an affidavit by Donald Gardner, chief financial officer. 'MMA...intends to preserve the MMA System as a going concern and [to] propose a plan for the resolution of claims. It is possible, perhaps likely, that this will involve a sale of the System as a going concern.' {page 7}

**Payment of claims**
'MMA contemplates using the proceeds from all assets, including insurance policies, to fund one or more trusts for the benefit of claimants....This process would likely provide for contributions to be made by certain parties [Other legally liable parties? editor] in exchange for full and final releases of all claims and liabilities.'

**Keep bank accounts for interline settlement**
Gardner proposed that MMA retain its existing bank accounts for simplicity. In particular, MMA belongs to the Interline Settlement System and changing account numbers may disrupt deposits, which 'represent the major source of operating revenues for the Debtor each month.'

**SECURED CREDITORS**

**Federal Railroad Administration**
On 24 March 2005 MMA opened a 'FRA Credit Facility' of $34 million. As of the filing, MMA owned about $27.5 million. The Facility is secured by a first-priority lien 'against substantially all of MMA's US and Canadian real estate.'

**Wheeling and Lake Erie Railroad**
On 15 June 2009, MMA opened a Line of Credit and Security Agreement with WLE. [WLE's principal, Larry Parsons, played a role in creating MMA and did own some of the MMA stock in some fashion. See box].

As of 6 August, the agreement is fully drawn. 'To secure the Wheeling LOC, Wheeling asserts an interest in the debtor's accounts receivable and inventory.'

**UNSECURED CREDITORS**
Gardner estimated $3.5 million in undisputed claims 'for ordinary course trade payables.' The filing indicated MMA believed that funds would be available to pay unsecured creditors.

The 'creditor matrix' contains 795 creditors (none have amounts attached). Some are listed below.¹ Those with an asterisk are on the list of the '20 largest unsecured claims' [see above for entire list]. The number after the asterisk indicates where on the list the creditor falls.

---
¹ The list contains many persons with addresses near MMA facilities. Presumably many of them are existing or, like Dick Rushmore, former employees. Editor
## THE TOP 20 UNSECURED CREDITORS

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of creditor and complete mailing address including zip code</td>
<td>Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted</td>
<td>Nature of claim (trade debt, bank loan, government contract, etc.)</td>
<td>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</td>
<td>Amount of claim (in thousands), allowed, or administrative expense</td>
</tr>
</tbody>
</table>
ECHOES OF 2001
AND SOME DIFFERENCES

Many readers remember the 2001 bankruptcy of Iron Road Railways (BAR and other lines), which operated most of the same system which MMA operated up to the sale of the northern Maine lines. The State of Maine purchased the MMA lines from Millinocket to Madawaska. The state then awarded the operation of those lines to Northern Maine Railway, a part of NB&M.

Some comparisons:

JD Irving interested
July 2001: Burkhardt announced interest in buying IRR. JD Irving said if necessary it would operate the IRR lines until a new owner came along.

The bankruptcy
15 August 2001: Creditors got fed up with waiting and asked the bankruptcy judge to put IRR into bankruptcy. One creditor then: Helm Financial, which is now a bankruptcy creditor of MMA. Fred Yocum, another bankruptcy creditor, was BAR president.
August 2001: Under US bankruptcy rules for railroads, the USDOT secretary nominates five candidates to serve as railroad trustee. The US trustee chooses one.

Attorneys
Keith Cunningham represented BAR then. {01#09A} In the MMA bankruptcy, he represents NBMR.
Jim Howard was appointed trustee of the BAR estate then. Now, he is a creditor.
Roger Clement represented the BAR estate then. Now, he represents MMA.

The purchase
Rail World and Wheeling Corporation (Larry Parsons see 02#10A, now a creditor) made an offer to buy IRR assets for $62 million in October 2001. {01#10A}
Other parties kicked the tires (SLR, RailAmerica, GWI), but no party other than Rail World made an offer.
Rail World finally made the purchase for $50 million {02#08A} and started operating 9 January 2003 {03#01A}, the same day Great Northern Paper, the major customer, filed for bankruptcy.

Railroads due funds
NBSR $1.989 million, disputed. *#1
Rail World $786,000. *#2
CP. $542,000* #4 + $61,000 *#18
SLQ $83,610* #12
MNR $83,100 * #13
BNSF
D&H
GMRC
Mid-Michigan Railroad
NECR

NYA
Rochester & Southern Railroad
Rochester Midland Corporation
Saratoga and North Creek Railway
Soo Line Railroad
South Buffalo Railway
Springfield Terminal Railway (Pan Am)
TTX agent for UP, ADMX, CSXT, NS
Wisconsin Central

Contractors and suppliers due funds
Advanced Railcar Tooling, ALK Technologies, Calkins Sand and Gravel, Dakota Plains Marketing, Donohue Railroad Equipment, First Union Rail, GATX, GE Transportation, Helm Financial, Industry-Railway Suppliers,

Other interesting parties due funds
EPA New England, Robert Grindrod, Jim Howard, Maine DEP, MDOT, Joe McGonigle, Mitchell Toups [named as attorney of party suing MMA – see 13#07B], MMA Canada, MMA Corporation, many-many municipalities in Quebec, Dick Rushmore, Gaynor Ryan, Melody Sheahan, Verso Paper, Fred Yocum. {creditor matrix}

**MMA: CREDITOR PROTECTION GRANTED IN QUEBEC**
8 August. *A QuebeC suPerior coUrT juDge GraNted crEditor proTecTion afTer A ReQuest By MoNTRoAL, MAINE & ATLaNTIC CANADA coMPAnY.* The company filed the documents on 7 August and was seeking relief from its creditors under the Companies' Creditors Arrangement Act. The CCAA allows companies protection while they work out ways of avoiding bankruptcy.

This same day the company's sister firm, the Montreal, Maine & Atlantic Railway, won Chapter 11 bankruptcy protection in the Maine court.

MMA Canada also announced that Richter Advisory Group agreed to act as the Court Appointed Monitor of the Canadian company. {Waterloo *The Record* 8.Aug.13}

**MMA BANKRUPTCY: LATEST FILINGS**
22 August, Portland. *The US Bankruptcy CourT Will HoLD A CreditorS' meEnCT HERE,* moved from an Augusta courthouse because more space was needed. As of 18 August, the following creditors and other parties had entered appearances:

- MDOT (Victoria Morales)
- Bangor Savings Bank (Michael Hahn)
- Eastern Maine, Northern Maine, New Brunswick Southern Railway (Keith Cunningham et al)
- XL Insurance Company, Indian Harbor Insurance Company (Benjamin Marcus et al)
- Maine Revenue Services (Pam Waite)
- United States (John Stemplewicz)
- Wheeling & Lake Erie Railway (George Marcus)
- GATX {docket report from court website case #13-10670}

**NB&M: FORMATION**
29 July, Saint John. *JD Irving has cReAted 'NeW BrUnswick & MAINE RAilways',* said spokesperson Mary Keith. 'The term is not a rebranding per se but a shorter and more inclusive way of describing our lines instead of repeatedly spelling out EMRY, MNR and NBSR.' {e-mail to *ANR&P*}

*Note: This newsletter will refer to the doing-business-as name as 'NB&M'.*

**CRUDE MOVES**
6-19 August *(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).*

**CSXT to Albany**
Rich Hendrick reported 13 August that one Irving vessel continues to ply between Albany and Saint John. Perhaps due to the shrinkage between Brent and Bakken crude prices, the second ship is not yet in service. {e-
mail to ANR&P correspondent Laurel Rafferty}

**Pan Am**

11 August. Eastbound oil train through Hoosick Falls NY with three BNSF locomotives, one MEC, and [apparently] a unit set of tank cars. {NERAIL photo archive}

13 August. Eastbound oil train at Hampden, Maine with four Pan Am locos [possibly the same train].

13 August. Eastbound oil (second section) at Casino in Bangor, four locos, 54 tanks and one spacer.

13 August. Eastbound oil train through Chelmsford, Massachusetts, four locos (first three BNSF), no car count. {NERAIL photo archive}

15 August. Oil train arrived in Mattawamkeag. {RailsNB}

**NBSR (presumably all traffic off Pan Am)**

8 August. Eastbound to Saint John, three HCLX locos, 39-car mixed train with 15 tanks, one empty log car, four 50-foot boxcars, and 19 clay slurry tank cars.

11 August. Eastbound to Saint John, three locos, 63-car mixed train with 25 tanks, the first significant block in the past week.

13 August. Eastbound to Saint John, four HLCX locos and one NBSR, 102-car mixed train with 13 tanks plus 32 loads of wood chips, empty paper boxes, beer cars, centerbeams, and liquid propane gas tanks. {RailsNB}

14 August. Eastbound mixed train away from McAdam Yard with four HCLX locos. In addition to 49 crude oil tanks it set off about 20 cars of logs and wood chips for Woodland at McAdam, and added 19 cars from the Woodland line and 11 gypsum gondolas plus four loads of wood chips plus a spacer car.

15 August. Eastbound through McAdam the second half of the Pan Am oil train, with 50 tank cars and wood chips. {RailsNB}

**CRUDE PIPELINE: OPPOSITION**

August. **WHILE RAILROADS MAY FEAR THAT THE ENERGY EAST PIPELINE TO IRVING OIL WILL END THEIR CRUDE TRAFFIC**, Canadian environmental opposition may slow or even stop it.

“I think you’re going to see a very active fight within Quebec,” said Mike Hudema, a climate and energy campaigner with Greenpeace Canada, which has already expressed opposition and is expected to play a leading role in the campaign. “Quebec is traditionally a very environmentally conscious region of Canada and also a very politically active region. I think you’ll see a very strong and large mobilization within Quebec against this pipeline. Because of course, they get none of the benefits of this pipeline but they do face a lot of the potential problems this pipeline could cause.” [Not true. The pipeline will serve refineries in Montreal and Quebec City. *Editor*]

Pierre-Olivier Pineau, a business professor who specializes in energy, believed “the challenge in Quebec is so big that this project just won’t happen.”

**Rail will continue?**

TransCanada has justified the project in part by suggesting that pipelines are a safer means of transportation than rail. Steven Guilbeault, head of Equiterre, one of the leading environmental groups in the province, called that notion “bollocks.”
“The reality is that this pipeline will not make it so that there are less trains coming through our communities. Those trains carry oil shale from North Dakota from the U.S. to the U.S. markets on the eastern seaboard through Canada. Energy East will do nothing to change that dynamic. Energy East is for tar sands oil, it’s not for oil shale from the U.S.” [A significant mis-statement, since oil through New England is going to Saint John. Editor]

Guilbeault noted Equiterre has already received calls about the safety impact of the pipeline. “Just this week we’ve gotten three demands from three different communities and I suspect we’ll be getting a lot of those over the coming weeks and months. I suspect that there is going to be a lot of opposition to this project.” {Cole Stangler in In These Times 9.Aug.13}

CRUDE OIL: ADVANTAGE OVER PIPELINE*
7 August. **THOUGH THE COST ADVANTAGE PER BARREL LIES WITH THE PIPELINE**, rail does have advantages in addition to the oft-mentioned flexibility.

**Speed of transport**
A train hauling oil can move from, say, North Dakota to the Gulf Coast in under a week. By pipeline, those same barrels could require up to 40 days in transit. Those extra three or four weeks for a trip in a pipeline start to add up to serious carrying costs.

**Uniform quality**
Oil sellers commit to quality in terms of API number (the "API" number measures energy content, sulfur content and other chemical aspects of the oil). But different rock formations yield different kinds of oil. Pipeline transport of oil from shale tends to mix different kinds of oil as part of the pumping and flow process, so the recipient may take barrels out of the pipeline barrels with a different API than that listed on the purchase agreement. Rail shipments do not mix the sources.

**Bitumen needs diluent in pipelines**
Bitumen requires another oil-based substance called "diluent" to thin it for pipeline shipment, which must move to the oilfields from refineries. After adding diluent to bitumen, the extra fluid takes up 30% or more of the volume of a pipeline. In essence, the oil owner is paying to ship product that isn't being sold, both ways. On rail, the operator can fill the tank with 100% bitumen and ship it down to the refinery. {Byron King in The Daily Resource Hunter 7.Aug.13}

PORTLAND-YARMOUTH: FERRY NEGOTIATIONS*
14 August, Halifax. **NOVA SCOTIA HAS SELECTED STM QUEST** to restart the Portland-Yarmouth ferry [see 13#03A]. In a press release, the province said if negotiations are not successful with joint company STM Quest, it will move on to talks with the next qualified bidder. Three companies submitted bids to restart the service in the latest round.

Following the announcement, Maine Governor Paul LePage reiterated his support of Quest, for which he said the state government will allocate marketing resources, help to secure a $5 million line of credit, and assist with capital needs on Portland's waterfront.

The Eliot (Maine)-based company plans to lease the 162-cabin cruise ferry named Nova Star from ST Marine Limited for $165 million to run the new service. {Halifax Herald and provincial press release in MaineBiz 16.Aug.13}

EAST OF HUDSON RAIL TASK FORCE*
5 August, Brookhaven. **THE TASK FORCE MET AT THE BROOKHAVEN RAIL TERMINAL**, the third meeting in its history outside Manhattan, and toured the facility.
Members
An incomplete [unknown which actually attended] list of members of the task force included [I only include identifiers of those I know]:

Steve Brown ; Richard C. Carpenter (member of Connecticut Public Transportation Commission); Jim Cartin; M. C. Corbett; John D. Dean; W. B. Galligan (executive director of the Task Force); Galloway Andrew J (Amtrak director of transportation planning); Bill Goetz (director of business development for CSX intermodal); Robert M. Gottheim (transportation staffer for Nadler); Paul L. Greene; Ray Hessinger; Bruce A. Lieberman (NYA); Howard J. Mann; John F. McHugh (railroad attorney based in Manhattan); Ben Miller; Lisette Morton; Glenn Murrell; Jerrold L. Nadler (member of Congress); Rian J. Nemeroff (HRRC); Frank K. Rogers (PW); Peter J. Shudtz; William Wheeler; Dr. Floyd Lapp; Glenn M Greenberg; Elena Conte; Andrew Genn; John Formosa; Stacey Hodge; Kelvin L. MacKavanagh (New Jersey Short Line Association); Christopher M Guzzi (PW); Ian Francis; Joan Byron; Jennifer R Cox; Scott Muir (NS); R H Robinson; Marie Corrado; Joshua Nelson NYC EDC; Timothy Longosky; Stephanie Pinto; Paul Victor (NYA); Mark Hoffer; Charles A. Barker; Charles Lattuca (Praxis Business Advisors); Robert Paaswell; Bob Bailey; Michael R. Fesen; Don Hutton (NYNJ); Lynch Andrew P (Sprague Energy); Garten David; Jim Newell (TLA Rail Logistics). {e-mail to members from Executive Director Bill Gallivan}

QUEBEC

LAC MEGANTIC: SLOW ORDERS
5 August. MMA SLOW ORDERS POCKMARKED THE TRACK BETWEEN LAC MEGANTIC AND ST.JEAN-SUR-RICHELIEU, according to MMA daily operating bulletins (“speedos”). While Transport Canada lists most MMA track in the province as Class 3 (freight 40 miles per hour), a speedo for one day in July reduced the entire stretch to 25 miles per hour or less. For one 11-mile stretch east of Magog, one speedo ordered 10 miles per hour.

Federal assistance for track
The governments of Quebec and Canada paid two-thirds of the nearly $5 million cost of a 2007 track program, said Sarah Bensadoun, a spokesperson for Transport Quebec.

She added that MMA could have received more under the dual-government program, but the remaining money was shifted to other shortline railways in Quebec in 2009 after MMA ran into financial difficulties.

MMA also received another $1.5-million from Transport Quebec over the past 10 years through provincial infrastructure and construction programs.

Municipalities concerned about track condition
Cowansville Mayor Arthur Fauteux, whose community is located on the MMA line from Farnham into Vermont, reported the wooden ties on some portions of the track near Cowansville have disintegrated and some of the metal spikes can be pulled out by hand. “For the municipalities, that’s not acceptable.”

Fauteux was part of a group of local officials that met recently with Quebec Transport Minister Lisa Raitt to discuss rail safety. Raitt’s office referred questions about MMA’s track maintenance to Transport Canada, which provided information about the company’s track classification but did not respond to follow-up questions. {Kim MacKrael in Toronto Globe & Mail 5.Aug.13}

LAC MEGANTIC: INVESTIGATION*
15 August, McAdam. TWO OF THE LOCOMOTIVES INVOLVED IN THE DISASTER RETURNED WEST through here [see photo]. {ANR&P correspondent Jody Robinson}

Reportedly all units involved were earlier moved to the NBSR engine house in Saint John for inspection by Canadian authorities. {RailsNB}
LAC MEGANTIC: CP LIABLE?

14 August, Quebec City. **THE QUEBEC GOVERNMENT ADDED CP TO THE LIST OF ENTITIES LIABLE** for the disaster. “Our duty is to do everything we can to ensure that the companies responsible for this accident might shoulder the costs related to the cleanup and decontamination,” Environment Minister Yves-François Blanchet said in a statement.

More parties

On 29 July, in the initial notice, Quebec [see 13#07B] listed MMA, the MMA Canadian subsidiary, World Fuel Services Corporation, and a WFSC subsidiary Western Petroleum Company. Quebec this day added CP and another WFSC subsidiary World Fuel Services Incorporated. The two were asked to confirm within 24 hours their willingness to execute the order.

Pollution

On 14 August, Quebec’s Environment Department released a series of charts listing the level of various pollutants in the water and air in the area around Lac Megantic. These showed that pollutants returned to the same levels they were before the 6 July derailment, with one exception.

On 13 August, NGO SVP released a report announcing carcinogenic polycyclic aromatic hydrocarbons at the surface of the Chaudiere River more than 394,000 times above a safe level determined by the Environment Department.

The provincial data did not agree with that reading, but agreed with SVP on a high concentration of hydrocarbons away from the water’s surface. {Canadian Press in Toronto Globe & Mail 14.Aug.13}

LAC MEGANTIC: CP REFUSES LIABILITY

15 August, Calgary. **"AS A MATTER OF FACT, AND LAW, CP IS NOT RESPONSIBLE FOR THIS CLEANUP,"** said spokesperson Ed Greenberg. “CP will be appealing.” {CBC news 15.Aug.13}
No room for debate?
But Blanchet wrote that he wasn't giving the railway a choice. 'I leave it to [the] legal department, but let me be clear: [under the environmental quality act] the minister doesn't just ask or suggest a way for the reparation or the payment; he gives a order. It is not an option.' {Blanchet e-mail to Scott Deveau in National Post 15.Aug.13}

FEDERAL LIABILITY
In addition to any liability under Quebec statutes, the federal Transportation of Dangerous Goods Act of 1992 has this language:

Financial responsibility

14. (1) No person shall import, offer for transport, handle or transport dangerous goods, or manufacture or import standardized means of containment, unless the person is financially responsible in accordance with the regulations.

Proof of financial responsibility

(2) A person who carries on any of those activities shall provide to an inspector on request the proof that is required under the regulations of financial responsibility. {federal government website}
MAINE

PAN AM-PORTLAND: STILL NO TRACK EXTENSION*

1 August, Portland. **PHIN SPRAGUE SOLD HIS EASTERN WATERFRONT SITE, AND BOUGHT A WESTERN WATERFRONT SITE**, this week. A Yarmouth-based development company bought his Portland Company marine complex [historically the site of locomotive construction, among other products – editor], and Sprague bought the 14 acres from Pan Am, and leased the 9 acres from Unitil, he sought for more than a year for his new boatyard [see maps in 13#03B].

He will begin work immediately on a ramp and a tension-fabric building to store boats for the coming winter. The fabric building can be moved to make room for the new spur, if needed.

**But no track extension**

At the announcement in February, Pan Am President David Fink hoped the current Pan Am spur to the Unitil gas site would be extended to the International Marine Terminal by spring or summer [see 13#02A]. MDOT, Pan Am, and Sprague began immediately talking about a deal to do that, and Sprague said he would rearrange his building site if necessary for the track extension [see 13#03B].

Sprague also said he would purchase different parcels than those planned if the desired cold storage facility required the parcels he was going to buy [see 13#03B].

**Eimsklp now suffering financially**

Larus Isfeld, Eimskip USA managing director, said his company continues to dray boxes to the Sprague terminal west of IMT for furtherance by rail. The dray uses about twice as much staffing as Eimskip has in other ports. Rather than pass the cost on to customers, the company is now "swallowing" the expense, he said, but "it's not sustainable."

Because of the extra expense in Portland, Eimskip is no longer pursuing new customers for rail delivery, and only marketing to shippers which would use truck delivery within 100 miles of Portland, Isfeld said.

"We are waiting for this to happen. It was an important piece of the puzzle everyone was aware of before we started. We would not have come here without this piece being in place."

**Next steps**

John Henshaw, executive director of the Maine Port Authority, said the state wants to own the right-of-way for the spur, which would run over Sprague parcels and Pan Am parcels. Now that Sprague has closed his deal with the railroad, Henshaw said, the state will negotiate with him and the railroad separately.

Henshaw declined to state the cost, though he is optimistic that MDOT has enough to acquire the right-of-way and extend the tracks.

**Cold storage**

The state also wants to acquire land next to the container terminal to create more room for port operations and a cold-storage warehouse [see 13#03A], which Henshaw said the state would build in partnership with a private developer. Funding to expand the terminal and develop a warehouse depends on a new transportation bond approved by the Legislature. He said those elements are not as urgent as the rail extension and could take several years to develop. {Tom Bell in Portland Press Herald 6.Aug.13}

MASSACHUSETTS

CSXT: ENGINE FACILITY*

8 August, Boston. 'CSX HAS MOVED ITS LOCOMOTIVE FUELING AND MAINTENANCE OPERATIONS OUT OF BEACON PARK YARD', wrote spokesperson Bob Sullivan. The railroad 'continues to look for a site for a new, permanent facility.' [MassDOT had agreed to assist CSXT – see 12#12A.] Freight
operations ended earlier [see 13#02A].

'In the meantime, CSX has made arrangements, in conjunction with private contractors, to service the locomotives in Worcester.' {e-mail to ANR&P}

---

Worcester. CSXT road power, 4 August. Previous day just as many there. {Michael Cummins in NERAIL photo archive}
CORRECTION: GU TRACK TO MILFORD NOT READY*
13 July, Hopedale-Milford. A VISIT TO THE RAILROAD’S LINE SHOWS THE GRADE CROSSINGS COMPLETE BUT the track between the crossings [see photo] still needs work. [The article in 13#07B stated

GU HISTORY: WHEN A PRIVATE STEEL TRANSLOAD WAS NOT PRE-EMPTED*
GRAFTON & UPTON 2003
8 December 2003, DC. THE BOSTON RAILWAY TERMINAL IS CONSIDERING MOVING TO MILFORD, prompting the Massachusetts town to file at the Surface Transportation Board (STB) a Petition for a Declaratory Order, stating that ‘activity proposed to be undertaken by the Boston Railway Terminal Company (BRT) upon land owned by the Grafton and Upton Railroad is not exempt from application of the provisions of the zoning by-laws of Milford nor the Wetlands Protection Act of the Commonwealth of Massachusetts, or any other applicable provisions of federal law.’

BRT distributes and fabricates steel in Boston at this point, and is considering GU and other sites. It is not a railroad recognized by the STB, according to the Petition.

GU operation in Milford
The petition stated that the GU right-of-way ‘has not been used for well over 20 years’ and the track is not usable, with two portions crossing public ways removed. The GU ROW terminates at the CSXT Milford Secondary Branch.

BRT proposal
In September, the petition stated, the town was informed that BRT wanted to operate a steel distribution facility on the GU trackage just off CSXT, and would do some fabrication. BRT is losing the use of its current facility in South Boston because of construction of the convention center. The area BRT wants to use is zoned residential.

The Milford petition noted that BRT did not intend to operate using GU and therefore cannot be an ‘integral part of the railroad’s interstate operations.’ The town employed the Konschnik ruling [see box] to argue that BRT does not enjoy the protection of pre-emption. It paid a filing fee of $1400 to seek the STB ruling. {STB Docket No. 34444 9.Dec.03}

STB decision
In a decision 11 August 2004, the Board saw ‘no need for the Board to institute a proceeding, because it is clear that: (1) the Board does not have jurisdiction over steel fabrication activities; (2) the Board does not have jurisdiction over rail/truck transloading activities that are not performed by a rail carrier, or on behalf of a rail carrier, that holds itself out to offer those services to the public; and (3) the broad Federal preemption of section 10501(b) does not apply to activities over which the Board’s jurisdiction does not extend.’ [04#08A]

DENOUEMENT. BRT did not pursue the Milford site, and ultimately operated in Providence. See 04#12A.
the 'railroad can now operate to Milford'.] {coverage and photos by ANR&P correspondent Frank Demasi}

**GU: ASLRRRA SUPPORT***

12 August, DC. *THE RAILROAD'S EFFORT TO BUILD A PROPANE FACILITY GOT SUPPORT* from the American Short Line and Regional Railroad Association. The letter stated:

As explained in the petition, Grafton & Upton proposes to complete the construction of and to operate a propane transloading facility in its yard in Grafton, Massachusetts. Transloading facilities are vitally important to short lines like Grafton & Upton and its customers in order to provide transportation of various bulk commodities that require transfer from rail to truck for final delivery. ASLRRRA believes that the Board should continue to foster such transloading facilities and service by confirming that federal preemption applies to efforts by state and local authorities to restrict or prohibit such rail transportation.

ASLRRRA also supports the request by Grafton & Upton for expedited handling of the petition. The project, which contemplates the completion of construction of the facility on property owned by Grafton & Upton and operation with its own employees, has been subject to a lengthy delay due to State and local regulatory efforts. The issues now before the Board are straightforward and hopefully can be resolved promptly. {STB website, filings page, Finance Docket 35752}

**PAN AM: WINCHESTER ATTACKS STB TIGHE DECISION***

12 August, DC. *THE TOWN TOLD THE STB IT SHOULD HAVE ONLY ADVISED THE STATE COURT OF PRE-EMPTION*, not tell it what to do, in a Motion for Reconsideration.

'The Board is free to enter an order advising the Superior Court of its views as to the scope of the preemption provision of 49 U.S.C. § 10501(b)....It, however, cannot endeavor to have the Superior Court avoid hearing the Town of Winchester Board of Appeal's Motion for Preliminary Injunction. The Board clearly sought to do just that, although, as it turned out, the Court heard the Motion for Preliminary Injunction on July 31, 2013, and the following day denied it based on the Board's Decision.' {text of filing from STB website, filings page, Finance Docket 35749}

Hunh?
The Board did not bar the Superior Court from hearing the Town's Motion. As the decision stated, Pan Am requested 'that the Board declare that 49 U.S.C. § 10501(b) preempts actions taken by the Town of Winchester to ban certain rail transportation conducted by Pan Am. On July 10, 2013, the Town replied. For the reasons discussed below, we hold that the Town’s actions are preempted.'

And as the Town stated, the Massachusetts Superior Court did hold a hearing on the Motion. Editor

**BCLR: SHRINKING***

12 August, DC. *THE RAILROAD NOTIFIED THE STB THAT IT WAS PARTIALLY TERMINATING SERVICE*, in a filing. BCLR has not operated over these lines for more than two years.

[MassDOT has a bond bill which includes $50,000 to convert part of the lines into a trail. See 12#08A.]

Needham Secondary

MBTA has requested that BCLR terminate service over the following lines of railroad described in the 1982 Modified Certificate:

(a) the Needham Secondary Track between Milepost 10.1 at Needham Junction, Middlesex County, Massachusetts, and continuing to Milepost 14.1, known as Cook Street, Newton, Middlesex County, Massachusetts, and including the wye track and the portion of the Needham Branch from Milepost 10.1 at Needham Junction to Milepost 7.2 at West Roxbury, Middlesex County, Massachusetts.
(b) the portion of the Dover Secondary Track extending from BCLR Railroad Milepost 0.0 in Needham Junction, Middlesex County, Massachusetts and continuing through Needham, Dover and Medfield to a point of termination near BCLR Railroad Milepost 7.2 located at the south edge of Ice House Road, one-tenth (0.1) of a mile from the point known as Medfield Junction, Middlesex County, Massachusetts.'

**Medfield Junction**

'BCLR will continue to operate the portion of the Dover Secondary Track beginning near BCLR Railroad Milepost 7.2 located at the south edge of Ice House Road in Medfield, Middlesex County, Massachusetts and continuing to a point of termination at approximately BCLR Railroad Milepost 7.3 known as Medfield Junction. (The 1982 Modified Certificate only indicates that the line to Milepost 7.2, although the line as currently measured extends to approximately Milepost 7.3 where it connects to the Millis Branch described in the 1987 Modified Certificate.)' {STB website, filings page, Finance Docket No. 29963}

---

**PVRR: NEW CUSTOMER***

13 August, Holyoke. **THE RAILROAD WILL SOON BEGIN HANDLING C&D HERE.** Mike Rennicke, PVRR general manager, wrote that the United Waste transfer station (the name may change) was built on the site of a composting operation for human waste, in front of the the waste water facility and adjacent to the closed incinerator for the City of Holyoke [incinerator located roughly at the I-391 shield on the map].

United Waste Management of Holyoke LLC is located off Main Street in the Springdale section. 'Paving is about done and finish work continues. We should see cars very shortly.' [For other customers in the area see 11#12A.]

---

**Local resistance**

The facility is an old project that is finally coming to fruition....[I]n spite of the fact this was specifically zoned for a transfer station, there was a fair degree of local resistance to the project which took a very long time to overcome....

---

2 The Springfield Republican in 2010 detailed the background: 'It will be at least mid-2011 before construction begins on a $4 million trash transfer station that has been in the works since 2008 in the Springdale neighborhood, an official said. “I would say that we’re going to start somewhere in the middle of 2011. ...This is a very long process,” said Scott Lemay, owner of United Waste Management, of Bolton, which is
The facility was constructed with all of the required sanitation, air handling and other precautions required for such operations. They may also handle MSW after they get started....

'The facility should open in late August or early September and initially begin handling C&D waste headed for Midwestern states.'

Rail
'The rail has been newly installed and the PVRR has rebuilt the existing switch which use to serve the waste water facility. Volumes are expected to begin at two cars per day (500 per year) and will move via CSX.' {e-mail to ANR&P 13.Aug.13}

MORE ABOUT UNITED WASTE MANAGEMENT
United Waste Management, according to its website, offers local dumpster rentals, hauling, and recycling services for Massachusetts, Rhode Island, and New Hampshire.

Boston facility
In November 2012, ReEnergy Holdings LLC, an Albany-based renewable energy company, acquired United Waste Management, Inc. and its construction and demolition facility in the Roxbury section of Boston.

Larry D. Richardson, ReEnergy’s CEO, said at the time: “This addition to our portfolio exemplifies our strategy to build a vertically integrated renewable energy company. The UWM facility will increase ReEnergy’s presence in the construction and demolition (C&D) processing and recycling market in Eastern New England,
ReEnergy has eight renewable energy generation facilities in New England and northern New York State and two construction and demolition material processing facilities in New Hampshire that service the eastern New England/Boston metropolitan area marketplace: ReEnergy Gateway/LL&S in Salem; and ReEnergy Gateway/ERRCO in Epping.

ReEnergy Holdings LLC, a portfolio company of Riverstone Holdings LLC, owns and operates facilities that recycle waste and facilities that use forest-derived woody biomass and other waste residues to produce renewable energy. ReEnergy was formed in 2008 by affiliates of Riverstone Holdings LLC and a senior management/co-investor team comprised of experienced industry professionals.

Inclusive of this acquisition, ReEnergy owns 300 MW of installed renewable energy generation capacity, recovers an average of 70 percent of the nearly 500,000 tons per year of construction and demolition material it processes, and employs approximately 290 people in five states. {United Waste website}

---

**MARITIMES**

**CN-HALIFAX: MORE GRAIN***

9 August. **THE HALIFAX GRAIN ELEVATOR HAS SEEN AN ESCALATION IN THE NUMBER OF RAIL CARS** delivering mainly milling flour for the Parrish & Heimbecker Limited (P&H) flour mill [see box], said Jeff Brownlie, Halifax Grain Elevator Limited’s manager of finance and administration [see box]. Because the Canadian Wheat Board no longer has a monopoly [see 12#11B] on how Western Canada wheat is marketed and sold, P&H has changed the way it sources its wheat so “rather than get it by vessel they are getting it by rail,” he said.

P&H did not respond for comment.

**Rail numbers up, vessels down**

Brownlie said the most recent vessel, with approximately 100,000 tonnes of wheat, arrived December 2012: 80,000 tonnes for P&H, 20,000 tonnes stored by the Wheat Board until exported by March 2013. By vessel wheat moved over Thunder Bay, said Brownlie.

From March 2013 to present, and estimated to March 2014, CN has delivered about 80 93-tonne cars a
month originating in Saskatchewan and Manitoba. Prior to the Wheat Board change, the Elevator received very little wheat by rail.

The Elevator is losing the Wheat Board storage because rail is not bringing in any export wheat. The port loses about four vessel grain shipments a year.

Test run
A potential new customer has brought about three rail cars of wheat which was stored at the Elevator then loaded into containers and shipped to Southeast Asia. Brownlie disclosed only that it was a wheat exporter from Central Canada who had been loading wheat at a Quebec port. “They are testing this route so we hope they like it and will continue to use it,” he said.

Wood pellets start
Scotia Atlantic Biomass was expected to start shipping wood pellets by the end of August to the Elevator for storage from its mill in Upper Musquodoboit. [See 13#03B.] Brownlie said the mill hopes to have about 25,000 tonnes ready to export to Europe later this year.

In 2014, when in full production, the mill hopes to export 100,000 tonnes of pellets. {Discussion with ANR&P correspondent Tom Peters 9.Aug.13}
RAIL FREIGHT FACILITIES

Described in this issue.
Eimskip (Pan Am, Maine) Still wants rail.
GU Propane (GU, Massachusetts) Still wants rail.
Halifax Grain Elevator (CN, Nova Scotia) Starting rail.
Moose River Lumber (MMA, Maine – see Regional) Needs rail.
Tafisa (MMA, Quebec – see Regional) Not using MMA.
United Waste (PVRR, Massachusetts) Starting rail.

PEOPLE, EVENTS

The Vermont Rail System will celebrate its 50th anniversary on 6 January, 2014. David Wulfson, principal, said the system is painting locomotive #311 in an anniversary livery as part of the event.

EDITORIAL

A GUESSING GAME ON MMA

Every observer to whom I have spoken agrees that MMA is finished, leading us to ask: Who will pick up which piece? Most – but not all – agree that JD Irving’s New Brunswick & Maine Railways should take the Maine trackage east of Brownville Junction, as NB&M has done well reviving the northern Maine sections it assumed operation of in 2012.

Dissenters, centered in Searsport, question whether NB&M would divert even more traffic to Irving's home port, Saint John and away from the former MMA line to Searsport.

Opinions on the fate of Maine trackage west of Brownville Junction, and in Quebec, vary widely. Would NB&M want to take the stretch between Brownville Junction and Jackman, which has no customers? Perhaps, if it knew that Irving Oil would continue to move crude over that stretch. If not, perhaps the time has come to let that section go to state-owned trail, as so much of Maine's track already has.

The Quebec trackage from Jackman west does look viable, given Tafisa's 2500 carloads a year. Would CP return to the track it owned up to 1994? Perhaps, but a more nimble short-line operator might do better. Two already interchange with MMA: Vermont Rail Systems at Newport, Vermont, and St.Lawrence and Atlantic Quebec at Lennoxville, Quebec.

Mario Brault, head honcho for Genesee & Wyoming Canada as well as president of SLR and SLQ, has proven himself adept, and (unlike either Ed Burkhardt or VRS owner David Wulfson) comes from the region. He should be very acceptable to Quebec and particularly Lac Megantic. Both politically and operationally, GWI looks like the best candidate to right rail in the province.
ATLANTIC NORTHEAST RAILS & PORTS
PO Box 357, Freeport, Maine 04032
Vox 207-865-2922    Fax 866-484-4490
Chalmers (Chop) Hardenbergh, publisher and editor
editor@atlanticnortheast.com
www.atlanticnortheast.com

Coverage
The newsletter covers the operating freight railroads
and ports in New England, the Maritimes, and
eastern Québec, as well as the government
environment they function within. Coverage includes
passenger rail and ships when relevant to freight
operations.

Frequency and the e-bulletin
ANR&P appears at least four times a month. We
send a formal issue twice a month, via post or e-mail.
Between the issues, we send out the e-bulletin only
by e-mail. All information in the e-bulletin is included,
and often updated, in the issue.

Stories not updated for the issue are noted with
an asterisk. I urge readers to look at the issue’s
updated stories (those without an asterisk).

Two asterisks indicate the story is updated with
the blue font showing what is updated.

Readers building a personal archive of the
newsletter should discard the e-bulletins. The
newsletter archive on the web at
www.atlanticnortheast.com is open to all.

Pricing
Subscriptions cost $440 for professionals, $120 per
year for students, young and old. (Add $100/year for
print issue). Introductory prices available. The e-
bulletin, sent by e-mail at least weekly between
issues, is free of charge to all subscribers.

Advertising
Subscribers may purchase half-page ads for $100
per issue. Non-subscribers, $200.

Copyright notice
PLEASE DO NOT COPY THIS NEWSLETTER, or
forward it in e-mail format, in whole or in part. You
receive it as a paying subscriber, or a potential
subscriber. Passing it on without explicit permission
of the editor violates copyright law, and diminishes
the likelihood of our staying in business.

HOWEVER, anyone may quote bits of articles, with
attribution, under the fair use doctrine.

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