Formal issue 13#09A 20 September 2013

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

**REGIONAL**

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MMA bankruptcy(2): Buyers discussing. VRS?*
MMA bankruptcy(3): Legal fees paid by FRA?
MMA bankruptcy(4): Railworld be gone?
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TIGER V: VRS, NH, Eastport win. Hunts Point.*
Crude: Pipeline more expensive than rail?

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TIGER IV: Hunts Point gets funding.*

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VRS: TIGER V funds more of Western corridor.**

**MASSACHUSETTS**

Canso: NuStar to export crude out of Point Tupper.*
Canso MM(1): Maher Melford makes top 13 list.*
Canso MM(2): Buys government land, and private.

**RHODE ISLAND**

Rail Shippers/Receivers
A cross-reference to companies mentioned here.

**People, Positions, Events**

People: Deb Hadden takes over at Massport.

Editorial

NHN TIGER V looks like a sphinx.

[No report.]

**Maine**

Pan Am: Hosts Irving Oil train.
Pan Am: Fined $50,000 for wrongful discipline.*
Pan Am: No TIGER V for rail bridge to Kittery.*
Pan Am: Passenger service east of Augusta?*
Downeast Scenic: Passenger count up.*
TIGER V: Eastport gets funds for ‘other’ pier.*

**New Hampshire**

NHN: Details on TIGER V funding.
SLR: No TIGER V funds.
Pan Am: New propane for Sea-3 coming.* List of customers on Portsmouth branch.*
NHDOT: Draft 10-year plan has “0%” for rail.

**Rhode Island**

PW: Pond View cleanup done. Foley operating?

[No report.]

Common abbreviation
GWI – NECR, CBNS: TRACK INVESTMENTS
16 September, Greenwich Connecticut. THE SHORT-LINE HOLDING COMPANY IS INVESTING IN TRACK IMPROVEMENTS over its entire set. In the Atlantic Northeast, GWI will expend major funds on NECR and CBNS:

Corporate structure
GWI's corporate structure groups its railroads into nine regions, each headed by a regional senior vice president. GWI allows its individual properties a certain amount of autonomy within each region. With the RailAmerica acquisition doubling the company's track miles, GWI centralized the oversight of its track investment and equipment management; a new chief engineer and new chief mechanical officer help the regional senior vice presidents with planning.

How track speed leads to better service
“Track speed is key to all our infrastructure capital expenditures,” said David Brown, GWI chief operating officer. “Reliable infrastructure and locomotives give us the means to run to plan. Even on a shortline, time is money and doing things the same way every day is crucial to the success of the organization. On-time is on-time, not on-time plus two hours because if that’s your measure, trains will run to that.”

CBNS
The Cape Breton & Central Nova Scotia Railway will further its $1.5 million 286k infrastructure upgrade with an additional $1.4 million for bridges, signal, crossties and surfacing. [GWI did not respond to a request for clarification on this by deadline.]

NECR
The railroad will spend an estimated $11.2 million to upgrade 18.8 miles of track between St. Albans and the Canadian border, using a $7.9 million TIGER IV grant plus $3.3 million of NECR money [see 12#06B], in make the track 286k. GWI estimates it will spend an additional $1.9 million on NECR for crossties, surfacing, bridges, and signal work. [GWI did not respond to a request for clarification on this by deadline.]

Safety note
During a conference call to discuss 4Q12 earnings this February, GWI President Jack Hellmann said: “You will see that we have completed 2012 with an FRA reportable index of 0.48 injuries per 200,000 man-hours. This was the best safety results in [our] history, as well as the best result in rail industry for the fourth consecutive year.

“With the acquisition of RailAmerica [NECR and CBNS were RailAmerica properties – editor], the challenge of implementing [our] culture of safety has just begun. If [GWI] and RailAmerica had been a single company in 2012, our combined safety index would have been 0.9. So we have plenty of work to do in order to reach our ultimate goal of no personal injuries to any of our 4,600 employees.

“Given that our top priority is to impart [our] safety culture, [our] business culture and [our] decision-making frameworks, what might seem to be a daunting task, with 45 new railroads is actually quite manageable thanks to the accountability of our regional leadership.” {Roy Blanchard in Railway Age cited by Mischa Wanek-Libman in Railway Track & Structures 16.Sept.13]
CRUDE BY RAIL**

20 August-19 September (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).

NBSR

7 September. Eastbound away from McAdam with four locos and 76 cars: 20 loads of woodchips, 14 crude oil, 13 LP gas tanks, centerbeams, covered hoppers, empty paper boxes, scrap hoppers, and beer cars.

8 September. Eastbound away from McAdam with four locos and 90 cars. Empty centerbeams, paper boxes, beer cars, covered hoppers, gondolas, 34 loads of woodchips, and 30 loads of crude oil.

9 September. Eastbound away from McAdam with three locos and 57 cars: practically all paper boxes and centerbeams, with three loads of crude oil. Paper boxcars are usually 50-footers loaded at Irving Paper in Saint John, with marks AOK, CRLE, TR, YKR etc. {RailsNB}

14 September. Eastbound away from McAdam with three locos and 77 cars: Clay slurry, empty centerbeams, paper boxcars, beer insulated boxcars, covered hoppers, and 34 cars of crude oil.

Also eastbound wood fiber train arrived during the night with about 60 loads of logs and wood chips for Woodland and terminated in McAdam.

19 September. Eastbound away from McAdam with three locos and 80 cars, after picking up 26 cars in McAdam (16 off the south line and 10 gypsum empties): 3 loads of woodchips, empty centerbeams, paper boxcars and carbon dioxide tanks. Some MMA boxcars are now re-stenciled SNC [Saratoga & North Creek (?)]. {RailsNB}

CN

14 September. Eastbound out of Saint John led by three locos and 90 cars (rough numbers): 4 covered hoppers, 7 boxcars, 20 intermodal wells (14 doublestack mainly Tropical, 6 single), 4 scrap (?) cars, and 54 tank cars in five larger strings and several small cuts.

15 September. Eastbound out of Saint John led by six locos and 130 cars (rough numbers): 21 covered hoppers (18 'CN'), 8 tank cars, 6 flat cars, 95 wells (10 single-stacked, three of which held container-tanks). {RailsNB video}

MMA BANKRUPTCY (1): FUNDING**

4 September, Portland. KEACH HAS NEGOTIATED A FINANCING DEAL for the estate, the railroad trustee told Judge Louis Kornreich, but he would not yet disclose the lender. “If the arrangement that we have negotiated comes to fruition, and I believe that it will, that we have found a way to administer these cases in a way that won’t dilute recoveries to any creditors or victims.” {Craig Anderson in Portland Press Herald 4.Sept.13} [The deal is apparently that with the FRA – see below.]

MMA BANKRUPTCY (2): BUYER?*

5 September, Portland. "THERE IS A SALE PROCESS THAT HAS ALREADY BEGUN. WE'RE TALKING TO INTERESTED PARTIES," said bankruptcy trustee Robert Keach. He declined to name any of the potential buyers. He expects to formalize a process for selling the railroad in the coming weeks. “It's moving as I would expect. Everybody involved in the process thinks it should be, and can be, completed by year's end.”

But regulatory approvals in the two countries could take longer than that, pushing the sale into early 2014. {AP in Portland Press Herald 5.Sept.13}
Why not the Vermont Rail System?
VRS already does significant business with MMA for the overhead traffic coming out of Maine, principal David Wulfson pointed out on 6 September. Asked if he were interested in buying all of MMA in Quebec, he demurred. “We could go a little ways,” he said; buying the loop into Quebec and out “would be fine.”

If GWI bought the MMA in Quebec, or the entire line, Wulfson pointed out, it could divert the Maine traffic to the NECR. \{ANR&P discussion 6.Sept.13\}

MMA BANKRUPTCY (3): LEGAL FEES
16 September, Portland. \textit{The MMA Trustee requested setting aside $5 million from the Federal Loan} to pay legal fees, in a motion filed this day, which reported the FRA has agreed to the deal. ‘The case is impossible to administer, absent a willingness of the trustee and professionals to serve pro bono or for pennies on the dollar, unless the stipulation is approved. Currently, the trustee's professionals include his undersigned counsel, as well as certain additional special counsel and financial advisors, and may include an investment banker and claims and noticing agent, should the court approve retention of same.'

The FRA has a secured claim of $28 million \{see ???\}. \{Craig Anderson in Portland \textit{Press Herald} 16.Sept.13\}

MMA BANKRUPTCY(4): GOODBYE RAILWORLD?
18 September, Portland. \textit{The MMA Trustee moved to reject the MMA/Railworld Agreement} in a motion filed this day which stated in part:

‘[U]nder the Management Agreement, Rail World is required to provide the Companies with certain supervisory services consisting of the performance of an active oversight role for the Companies, including providing expert advice and input on (i) traffic and revenues; (ii) operations; (iii) mechanical matters; (iv) engineering; (v) finance; and (vi) strategic planning (the “Supervisory Services”). For the performance of the services under the Management Agreement, the Companies are to pay Rail World an annual fee of approximately $500,000.00.'

Trustee Robert Keach argued that since he and others were managing the bankruptcy estate, the services of Railworld were no longer needed. A hearing on his motion will occur 31 October. \{court website, docket no. 13-10670\}

MMA BANKRUPTCY(5): LEGAL POSTURE
COURTS
In addition to the bankruptcy proceedings in Quebec and Maine, courts in Illinois have considered the liability of various defendants.

In August, defendant Rail World Inc. removed the cases from the Circuit Court of Cook County, Illinois to U.S. District Court in Chicago. A Chicago federal judge on 12 September remanded one case back to state court and others may return to state court the following week. \{Judy Harrison in \textit{Bangor Daily News} 13.Sept.13\}

DEFENDANTS
On 13 September, Peter Flowers, who filed at least one of the Chicago cases, said he would join Irving as a defendant. \{Judy Harrison in \textit{Bangor Daily News} 13.Sept.13\}

PLAINTIFFS
William Harrington, the U.S. Trustee in Portland and the Department of Justice official who oversees Maine bankruptcy cases, on 12 September asked the bankruptcy court to appoint a broad committee covering property owners, government entities and those killed or hurt.

Attorneys for many of those killed or injured asked the court to give them their own committee, which they said will promote due process for the victims who speak French and are unfamiliar with U.S. law [see ???]
A separate group that includes the Province of Quebec as well as property owners backed the U.S. Trustee's approach, according their lawyer Luc Despins of Paul, Hastings, Janofsky & Walker.

MMA trustee Robert Keach argued for no committee at all, noting that under railroad bankruptcy statutes, he has a duty to all creditors. As a result, creditor committees in railroad cases are unusual. [However, creditors in the B&A bankruptcy had an “unofficial committee” in 2002 – see 02#08B, and creditors had an agreement among themselves – see 02#10A.] {Tom Hals of Reuters 12.Sept.13}

TIGER AWARDS: REGIONAL NOTE**
Of the 12 awards in the 11-state East region, four went to ports (Eastport – see Maine, Wilmington, Oswego, Baltimore), two to freight rail lines (VRS – see Vermont, and NHN – New Hampshire), two to passenger rail (for the New Haven-Springfield service and SEPTA-CSXT in Philadelphia). The others were highway projects in Boston, Warwick, Rochester, and Olean. {USDOT website}

Compare to TIGER IV [see 12#06B] with a project in New York [see New York], and one in Vermont for the NECR north of St.Albans.

CRUDE PIPELINE versus RAIL
While many are concerned that a pipeline carrying crude from Hardisty, Alberta to Saint John [see 13#07B and 13#08B] would undercut the revenue regional railroads are earning by moving the crude, a recent analysis shows that for bitumen diluted a bit, the cost by rail is cheaper to move the heavy tar sands oil from Alberta.

<table>
<thead>
<tr>
<th>Table #4 - Summary</th>
<th>Bitumen $/Bbl</th>
<th>Dilbit $/Bbl</th>
<th>Railbit $/Bbl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude sale price (less diluent)</td>
<td>88</td>
<td>71.42</td>
<td>80.31</td>
</tr>
<tr>
<td>Netback Rail Manifest</td>
<td>62</td>
<td>35.28</td>
<td>48.99</td>
</tr>
<tr>
<td>Netback Rail Unit</td>
<td>65</td>
<td>39.45</td>
<td>52.60</td>
</tr>
<tr>
<td>Netback Pipeline</td>
<td></td>
<td>45.71</td>
<td></td>
</tr>
</tbody>
</table>

The netback costs shown in the table include the cost of railing diluent to Hardisty.

To get the bitumen to move through a pipeline requires the addition of diluent – about 28% by volume. Even to move it via rail requires some diluent – 17% by volume – and tank cars which can be heated in winter to carry the “railbit”.

The second column shows that railing raw bitumen (when possible) from Hardisty to the Gulf Coast costs $26/barrel in manifest trains, and $23/barrel in unit trains.

The third column shows that the price of bitumen with 28% diluent is only $71.42/barrel, and after moving it to the Gulf and selling it there, the producer would realize $45.71 per barrel in a pipeline, but $39.45 for each barrel moved in a unit train.

The fourth column shows that by creating ‘railbit’ (reducing the amount of diluent in the heavy crude which is possible to do in heated tank cars), a producer can realize more than moving the oil via pipeline: $52.60 per barrel.

Conclusion
Sandy Fielden, the analyst, ends his article thus:

'The analysis indicates that rail can give pipelines a run for their money – provided that bitumen prices at the Gulf Coast are higher than dilbit prices and as long as diluent prices in Canada are more expensive than dilbit on the Gulf Coast.

'If these price dynamics continue, then moving bitumen by rail can compete with pipelines – so long as
the product moved is railbit or raw bitumen – with the latter having a clear advantage. Unit trains also improve
the netbacks considerably over the manifest option. Even moving railbit by manifest rail gives a more than
$3/Bbl higher netback than dilbit by pipeline.

'At the moment, however, our survey of load and discharge terminals in Canada and on the Gulf Coast
suggests that the infrastructure is not in place yet to take advantage of this opportunity. Where there are unit
train facilities built or under construction, they are primarily shipping dilbit, which produces $6/Bbl less
netback than pipelines.

'The railbit facilities are manifest terminals that have a more slender advantage over pipelines. In other
words, for rail to trump pipelines from Canada to the US Gulf, shippers must develop unit rail facilities that can
handle railbit or better yet can remove all the diluent to ship raw bitumen.' {"How Rail Beats Pipeline Transport
for Heavy Crude From Alberta to the Gulf,' Sandy Fielden in RBN 15.Sept.13}

Application to Saint John
What about pipeline versus rail to Saint John? TransCanada proposes a bitumen pipeline from Quebec to Saint
John. Perhaps a closer look by TransCanada will persuade it to forgo building more pipeline and instead rail it
from Quebec, though to make money it would have reduce diluent from 28% to 17%.

Alternatively, since Irving Oil is already railing light crude to a port (Albany) and shipping from there,
Irving might well decide to ship it from Quebec to Saint John. Editor

NEW YORK

NYA: NO TRANSLOAD AWARD*
28 June, New York City. PANYNJ DECIDED NOT TO SELECT ANY PROPOSAL TO OPERATE A
TRANSLOAD IN BROOKLYN, according to a letter from Mark Hoffer, director of New Port Initiatives for the
Authority. The RFP was issued in November 2011 for a transload at the 51st Street railyard, and the 65th Street
railyard [see 11#09B and 11#11B which include maps]; bids were kept confidential [see 11#11A]; in December
2011 the decision was months away [see 11#12A]. In July 2012 PANYNJ had not decided; NYCEDC said the
proposals were still under review [see 12#07B].

Hoffer explained that 'the Port Authority did not select any proposal submitted under the RFP by
October 24, 2012 (which was a right it reserved) and effectively closed the RFP, without further obligation on
the agency's part. The parties who responded to the RFP understood, per the RFP's terms, that if a proposal was
not accepted by October 24, 2012, it was deemed rejected.'

Plans for the New Jersey side of the waterfront
Hoffer explained that PANYNJ is 'engaged in a large project to completely redevelop Greenville Yard [the New
Jersey side of NYNJ – editor] into an integrated, multimodal freight terminal handling not only freight in rail
cars destined for NYNJ's carfloats, but also international cargo arriving by container at the nearby Global
Marine Terminal (which would be shifted onto or off rail cars at Greenville), and containerized municipal solid
waste arriving from New York City by barge (which would be shifted onto or off rail cars at Greenville).'

PANYNJ steps back from Brooklyn
Hoffer continued: 'At the same time the RFP was issued, we began a series of conversations with NYCEDC
about the future of the waterfront rail system in Brooklyn and what the roles of our respective agencies should
be going forward.

'After many months of consideration, we decided that the Port Authority would continue to focus on
building up and operating NYNJ, along with redeveloping Greenville Yard, and NYCEDC would focus on the
future use of 65th Street Yard, preserving the Yard as the carfloat's eastern terminal, but also exploring
opportunities for transloading or other compatible development within the Yard....

'NYCEDC has initiated its own assessment of how to best utilize 65th Street Yard, including a potential
transloading operation, and if decides to move in this direction, it will conduct its own procurement of a transload operator, in consultation with NYNJ and the Port Authority.' {text of letter 28.June.2013}

NYCEDC plans
NYCEDC operates all three rail yards in South Brooklyn [see map in 11#09B] for the owner, the City of New York.

**TIGER IV: CSXT HUNTS POINT**

14 August, DC. THE HUNTS POINT TERMINAL PRODUCE MARKET WILL GET $10 MILLION IN RAIL IMPROVEMENTS, according to a joint announcement by US Representatives José E. Serrano and Joseph Crowley, who represent the Bronx. [See 12#06B for initial announcement – in other words, more than a year has passed before this “shovel-ready” project was even okayed for funding. Editor]

According to USDOT, the project will 'enhance freight rail capacity and service at the HPTPM through the following infrastructure improvements: installing additional sorting and storage rail tracks; rehabilitating the rail spurs that serve three of the market’s warehouses, and installing a covered platform on an existing rail spur within the market to facilitate the transfer of produce from railcars to trucks. The additional tracks will add capacity for the delivery and staging of loaded railcars, as well as the storage of empty railcars before they are removed from the market. The rehabilitation of the rail spurs will restore the original elevation of the tracks so railcars align with the warehouse loading docks. The covered platform will provide an additional location where tenants can receive produce by rail, and will provide a safer, more efficient transfer of produce within the market.'

The grant is half of the $20.6 million needed for the project. Some of the remainder will be raised from fees on market merchants. {text of press release}

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**QUEBEC**

**MMA/CP: HUNTER COMMENTS**

17 September, Toronto. HUNTER HARRISON NOTED THAT CP HAS “NO RIGHT” TO TELL MMA HOW TO OPERATE, in an interview with Howard Green of Business News Network. Green was inquiring about the interchange agreement. Harrison also noted that the Canadian Transportation Agency gave MMA the certificate to operate and permitted it to operate with one-man crews.

Asked about the embargo (“you put up your hand and said, 'We don't want to ship with you', right?”), Harrison said “that's not exactly right. The issue came up about the second train,” another train waiting to move east with crude.

“We wanted to know what is the issue with the packaging, what is our responsibility....There had been issues raised that they were not in the right operating condition, and now they're requiring us to haul it, but nobody said where they wanted to go except back to Montreal.”

Harrison said he could refuse to interchange, “and I guess I would go to jail....Now the traffic with them has been extremely limited. as a result...of this incident and others. That's one of the issues in our frustrations, we are required by common carrier to handle it, we handle things...a lot more dangerous that what was handled at Lac Megantic....The public would be amazed if they know what was moving....[such as] chlorine, toxic inhalants.”

With the MMA embargo lifted, “we comply, then someone's coming back and says, 'you should help pay for the cleanup.” CP has “appealed that order” to help pay for the cleanup.

**Insurance**

“You cannot buy more than a billion in insurance in rail industry at this time. That's what we have.”

**No more regulation needed**

“This is not about writing more regulations and more investigations and due diligence. It's simply dealing with
human behaviour.” {BNN - tv 17.Sept.13}

Or do we need more regulation?
In another interview the same day, Harrison said the large teams and agencies investigating the accident are taking so long that regulators are not adopting precautions needed to avoid further accidents with hazardous crude, gases and chemicals. “God forbid that something else should happen again while they investigate.”

On the tank car, he said: “Yes we have to continue to improve the cars to make sure that the right car is there for the level of danger or risk of the product and we’re doing that.” He singled out shippers as resisting newer cars. “The root of all this is the dollar sign,” he said of the decades’ long efforts to hamper reform by large shippers who own the vast majority of North America’s tank cars. “We can fix all this stuff, it is fixable.”

Harrison said it’s up to regulators to require sturdier rail cars, tighter safety rules, and stiffer penalties, including jail time, for companies and employees who knowingly mislabel hazardous goods or fail to obey existing regulations. {Jacquire MacNeish and Justin Gioviannetti in Toronto Globe and Mail 17.Sept.13}

MMA DISASTER (1): AMOUNT OF CONTAMINATION*
3 September, Lac Megantic. A COUNT OF THE OIL SPILLED, AND CONTAMINATED WATER REMOVED, CAME FROM QUEBEC’S ENVIRONMENT DEPARTMENT. The 72-car train was carrying 7.2 million litres of crude oil. Each train car was carrying 100,000 litres of oil, and nine of the cars retained their cargo. The Environment Department says 740,000 litres of oil were recovered from the train cars that did not leak.

Oily water
As of 3 September, 30.8 million litres of oily water had been recovered from the lake, sewer system, and ground in Lac-Mégantic. The figure will keep rising as cleanup operations continue, said Stéphanie Lemieux of the Environment Department. {Montreal Gazette}

MMA DISASTER (2): IRVING RESPONSIBLE?*
11 September, Ottawa. THE OIL ON THE TRAIN WAS IMPROPERLY CLASSIFIED AND PACKAGED, said Donald Ross of the Transportation Safety Board at a press conference. It was listed as “packing group three,” representing the lowest risk of explosion.

An analysis of the oil contained within the nine cars which did not burn revealed that it should have been classified in packing group two, which represents a higher degree of flammability and requires stricter packaging to prevent explosion.

Ross said the improper documentation and packaging of the oil likely was a contributor to its exploding.

Wrong cars?
A TSB news release simultaneous with the press conference stated: 'Since product characteristics are one of the factors when selecting a container, this also brings into question the adequacy of Class 111 tanks cars for use in transporting large quantities of low flash flammable liquids (PG I and PG II). The TSB investigation in this area is ongoing.

'Further tests are being done on the product samples and testing has started on the components of the tank cars. A review of the relevant regulations and company operating practices is also underway. These analyses will help determine the safety performance of the tank cars during the accident and to identify any related safety deficiencies.'

DANGEROUS GOODS CLASSIFICATION
Flammable liquids included in Class 3, Flammable Liquids, are in one of the following packing groups:

- Packing Group I, if they have an initial boiling point of 35 C or less at an absolute pressure of 101.3 kPa and any flash point;
- Packing Group II, if they have an initial boiling point greater than 35 C at an absolute pressure of 101.3 kPa and a flash point less than 23 C; or
- Packing Group III, if the criteria for inclusion in Packing Group I or II are not met. {Transportation Safety Board of Canada}
Irving Oil responsibility

The importer, in this case New Brunswick-based Irving Oil, to has the responsibility to ensure the description of the products are correct, Ross said. [Plaintiffs will add Irving as a defendant – see Regional.]

Ross said the response by firefighters would not have been affected by the packing group and a correct identification would not necessarily require different tank carts.

“It’s a possibility that it had no effect, but we’re not saying that yet,” he said.

New requirements

The TSB said it was immediately issuing safety advisory letters to rail authorities in Canada and the United States, where the train originated, to review the processes for suppliers and companies transporting dangerous goods to ensure the description of the products are accurate and documented properly. {TSB website; CBC News 11.Sept.13; Craig Anderson in Portland Press Herald 11.Sept.13}

MMA OPERATIONS: STANBRIDGE SUB CLOSED**

10 September, Ottawa. TRANSPORT CANADA HAS EFFECTIVELY CLOSED THE ENTIRE STANBRIDGE SUBDIVISION, it said in a report posted on its website this day.

Dates

The date of the report would appear from the text to be about mid-August, but it provides neither a date of the
report itself, nor a date when the notices, order, and letters of concern were issued.

The TC communications advisor for the Quebec region wrote on 13 September: 'Although the summary report of inspections conducted on the MMA rail network was available online on September 10th, it is important to note that all Notices and all Notices and Orders pertaining to the MMA subdivisions were issued following the inspections and took effect immediately upon issuance, in this case, either between July 20th and July 24th, or on August 6th or August 7th.' {e-mail to ANR&P}

**Burkhardt response: abandonment?**
On 13 September, MMA chair Ed Burkhardt wrote:

'Let’s keep this in proper context. MMA’s line in Canada is a light density line, operated at slow speeds. I’m not quarreling with TC’s findings, but note that everything they wrote relates to spot exceptions that are normally corrected in the course of follow-up to inspection activities.

'The Stanbridge Sub is a bit different, handling very little traffic, all non-hazardous, at walking speed. The line is in poor shape, and it is “excepted track.” There is no way extensive repairs can be justified, so in light of TC’s actions, I would expect the line will be ultimately abandoned. MMA did all it could to keep essential services operating on this line, but with TC’s new rigidity, we hope to make sufficient temporary repairs to clear off the line and then hold it out of service for the present.

'Note that hidden in the back of the press is the results of FRA’s geometry car inspection of all MMA lines in Maine, wherein no significant defects were found.

'Please note that the normal response to less than desired track conditions is to reduce speeds until repairs can be made, which puts the line back into compliance.' {text as sent to ANR&P}

**The inspections**
Following the Lac Megantic disaster, Transport Canada (TC) inspected the entire line:

<table>
<thead>
<tr>
<th>Subdivision</th>
<th>Miles</th>
<th>inspections 7-11 to 7-13#</th>
<th>inspections 20-24 July*</th>
<th>TC action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moosehead (Lac Megantic-Frontenac)</td>
<td>15.2</td>
<td>30.5</td>
<td>15***</td>
<td>Letter of Concern</td>
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<tr>
<td>Sherbrooke (Lac Megantic-Brookport)</td>
<td>125.6</td>
<td>467.68</td>
<td>125.71</td>
<td>Notice</td>
</tr>
<tr>
<td>Adirondack (Brookport-St.Jean-sur-R)</td>
<td>20</td>
<td>40</td>
<td>20</td>
<td>Letter of Concern</td>
</tr>
<tr>
<td>Newport (Brookport loop to Highwater)</td>
<td>36.97</td>
<td>37.05</td>
<td>37</td>
<td>Letter of Concern</td>
</tr>
<tr>
<td>Stanbridge (Farnham-Stanbridge)</td>
<td>12.57</td>
<td>(none)</td>
<td>12.57</td>
<td>Notice and Order no operation</td>
</tr>
<tr>
<td>St.Guillaume (Farnham-Sainte Rosalie)</td>
<td>28.1</td>
<td>majority inactive</td>
<td>**</td>
<td>Notice</td>
</tr>
</tbody>
</table>

*Track geometry car.
**Farnham Yard and short portion of St.Guillaume inspected 6-7 August.
***FRA inspected from the border to Lac Megantic with its track geometry car.
# represents multiple inspections of the same track.

The English and French versions of the report are available on-line through the TC website.
ENG: http://tc.gc.ca/media/documents/mediaroom/MMAR_Summary.pdf

**Results of inspections**
The TC report said it found 'several locations of concern or non-compliance.'

Stanbridge subdivision (Notice and Order), 'deficient track geometry conditions in combination with defective tie conditions allowing excessive track movement under load, clusters of defective ties within proximity of a
propane facility, and vegetation in the ballast section interfering with the inspector's ability to adequately perform track inspection duties.

'As a result of these findings, a Notice and Order was issued to MMA between miles 0.0 and 12.40 of the Stanbridge Subdivision restricting movements on the subdivision until the track has been assessed by a professional engineer and the conditions under which a safe movement may occur have been provided. Essentially no traffic shall move on this section of track until such an assessment has been completed and the results communicated to TC.'

Sherbrooke subdivision and yard (Notice). TC issued a Notice to MMA 'to provide feedback on how they intend to resolve...conditions' and MMA responded by 9 August. TC is reviewing the response.

Moosehead subdivision (Letter of Concern). TC issued a Letter of Concern to MMA 'to provide feedback on how they intend to resolve...conditions...with a requested response by August 23.'

Newport subdivision (Letter of Concern). TC issued a Letter of Concern to MMA 'to provide feedback on how they intend to resolve...conditions...with a requested response by August 23.'

Farnham Yard and St.Guillaume subdivision (Notice). TC issued a Notice to MMA 'to provide feedback on how they intend to resolve...conditions...with a requested response by August 23.' {text of report}

**MMA DISASTER (3): BROKEN PISTON**

12 September, unspecified location. THE LEAD LOCOMOTIVE ON THE 'GHOST TRAIN' HAD A BROKEN PISTON, per a preliminary investigation by MMA, said Chair Ed Burkhardt in an interview. The problem caused unburned fuel to seep throughout the engine, resulting in smoke and sparks aboard the locomotive. MMA officials were able to get to the locomotives for a few minutes before they were ordered out of the disaster area.

“One of the last things that we were permitted to find out about [MMA officials could inspect the locomotives right after the disaster for “about five minutes” Burkhardt said in July – see box in 13#07A] is what happened to that engine that caused a fire on the engine. The turbo charger in the exhaust manifold had a lot of unburned fuel oil thrown up into it because of this problem.”

Burkhardt said company policy dictates that the train should be shut down if the engine is smoking or sparking. “There is no issue about how the train derailed. [But] If you have an engine with a broken piston and it’s shooting unburned fuel oil out of the exhaust stack, and things like that, and heavy sparking and all that, you don’t leave it running.”

**Order to shut down locomotive?**

Thomas Walsh, the lawyer for MMA ghost train engineer Tom Harding, said the smoke from the locomotive was discussed with other officials at MMA. “There was a lot of smoke while he drove the train, and he reported that on arrival – they have to do that.”

Walsh said he reviewed some tapes of the conversations between Harding and the dispatchers, and the issue of shutting down the train did not come up in the tapes he heard. The fire broke out after the engineer parked the train for the night and retired to a local hotel at the end of his shift. “There was no question of them telling him to keep the locomotive running or otherwise. My understanding is that as a matter of course, they keep them [the engines] running,” to keep the air brakes operational.

**No immediate arrests**

René Verret, a spokesperson for the director of criminal and penal prosecutions in Quebec, said his office is still waiting for a report from police on their investigation. Possibly the police could choose to make arrests on their own, Verret noted, but in complex investigations, police usually provide a report to his office first and then
determine how to proceed.

“No accusations can be taken against anyone [by the Crown] until we first receive the report. And then we take the time to analyze it and to decide if we’re going to prosecute some people and what kind of accusation we will take.”

The Sûreté du Québec had previously made it clear that it was looking for evidence of criminal negligence. {Grant Robertson, Justin Giovannetti, and Kim Mackrael in Toronto Globe and Mail 13.Sep.13}

MMA DISASTER (4): PAN AM STEPS
11 September, North Billerica. “WE ALWAYS CHECK THE CARS AND DO AN INSPECTION,” SAID CYNTHIA SCARANO, EXECUTIVE VICE PRESIDENT FOR PAN AM RAILWAYS, in a phone interview. “But as far as the materials, we have the bill of lading, and that should match up with what's in the car and what the placard reads. Our people don't open cars. We don't load or offload them. We just deliver them.”

The bill of lading helps
Knowing the characteristics of the cargo helps rail workers prepare a train more safely, Scarano said. Tank cars with hazardous materials, for instance, could be buffered with boxcars.

Oil to Saint John down
Rail deliveries of crude to the Irving Oil refinery have dropped substantially in recent months, Scarano said. She attributed the decline to shifting global oil prices more than the fallout from Lac-Megantic. “We've had only a couple of trains since the accident,” she said.

Tank car types
Most of the crude oil on Pan Am Railways moves in DOT-111 tank cars leased by others to the shipper, Scarano said. {Tux Turkel in Portland Press Herald 12.Sept.13}

MMA DISASTER (5): PIPELINE PREFERRED*
9 September, La Malbaie. MAINE GOVERNOR PAUL LEPAGE SUPPORTS A PROPOSAL TO BUILD AN OIL PIPELINE FROM WESTERN CANADA TO A REFINERY AND PORT IN NEW BRUNSWICK because Maine would welcome oil from Alberta. Speaking during a meeting of eastern Canada premiers and New England governors, LePage said that making more oil available to the eastern United States would be a good thing. “I think it's a great project. I think we need the oil and I think we need gas. Although I would prefer it to be natural gas, it is oil and it's needed.”

LePage said he would prefer to see oil transported by pipeline rather than rail cars, calling the Lac Megantic a "perfect storm" involving aging equipment and human error.

New Brunswick Premier David Alward, who left the meeting early on the 9th to address a TransCanada board of directors meeting in Fredericton, said he continues to try to convince Quebec Premier Pauline Marois of the merits of the $12 billion development [see 13#08A]. {AP in Kennebec Journal 9.Sept.13}

MAINE

PAN AM: IRVING PARKS TRAIN
12 September, Yarmouth. PAN AM HAS PARKED AN EMPTY UNIT OIL TRAIN HERE, for the past month. Global oil prices have induced Irving Oil to bring oil in by ship [see 13#08B].

September's vessel activity report for the Port of Saint John shows at least nine oil tankers set to bring crude to Irving Oil. A frequent caller, Genmar Defiance, 787 feet, 600,000-barrel capacity, called this week at Irving's Canaport terminal.
Albany ship too
Over the 13-16 September weekend, a smaller terminal in Saint John is expecting a delivery from Albany on Afrodite, 220,000-barrel capacity [see box in 13#08B].

Customer has stored them
The 100 or so cars are empty, Pan Am Executive Vice-president Cyndi Scarano said 12 September; “as soon as the customer requests them, they will go back out.” [This same siding held a string of 50 boxcars for some time in December 2012 – see 12#12A.]

Steve Boyko, who writes about the industry on his blog Confessions of a Train Geek, said he hears from a colleague who lives near the NBSR in McAdam, New Brunswick. The colleague reports that unit trains no longer run. Instead, oil tank cars run in mixed freight. [This comports with reports on RailsNB – see Regional.]

Train eats lettuce
A farmer working one of the last farms in Yarmouth said, a few days after Scarano's remark, that the parked string of cars apparently resulted in deers eating his lettuce. Normally, they cross the Pan Am line to reach a hayfield, but the string prevents that, so they turn to his lettuce field, eating about $10,000 worth of crops. "I've talked to wardens, I've talked to everybody," Bruce Hincks said. "They say there's no way in heck you'll move that train." But he hasn't called Pan Am Railways to complain or ask that the train car be moved. {Tux Turkel in Portland Press Herald 14.Sept.13}

PAN AM – PORTLAND: EIMSKIP UPDATE
13 September, Reykjavik. MAINE PORT AUTHORITY OFFICIALS MET WITH EIMSKIP OFFICIALS to discuss improving the Portland operation. John Henshaw, executive director of the Maine Port Authority, and Patrick Arnold, director of the authority's operations and business development, will meet with the board of directors of Eimskip this day.

Eimskip continues to call Portland every two weeks. On 11 September Skogafoss left this port with a containers of lamb and other products; it will reach Portland on 20 September.

Seeking more outbound traffic
So far, most of the trade is flowing from Iceland and mainland Europe to Portland in the form of commodities such as frozen fish, bottled water, lamb, and an aluminum byproduct for U.S. manufacturers.

Eimskip lost American exporters when it moved to Portland: those who used its call at Norfolk and Everett. Eimskip officials say they are committed to investing in Portland for two years, with the intent of staying for many decades. Despite the loss of customers, they believe that the move to Portland creates more growth opportunities because their vessels save five days of sailing across the Atlantic, and Eimskip can provide more frequent and regular service.

Re-orient – to the north
Larus Isfeld, general manager for Eimskip USA, said Eimskip envisions Portland as the U.S. gateway to the Arctic and sub-Arctic region [see Iceland president on this in 13#05B]. For that to happen, Eimskip needs Maine's help to improve operations at the Portland terminal, and Maine's political leadership to develop U.S. policy on Arctic development issues, he said.

Isfeld said Mainers have become accustomed to looking west and south. “Maine always sees itself as being at the end of the road and nobody looks up north.”

New reach-stacker
After Henshaw and Arnold toured the Eimskip terminal in Reykjavik this week, the Maine Port Authority decided to order a new $500,000 reach stacker to replace a 13-year-old reach stacker at the International Marine
Still looking for rail access
Henshaw and Arnold were hoping for good news this week to bring to the 13 September meeting. Part of that came in the form of approval of the transportation bond [see 13#08B]. {Tom Bell in Portland Press Herald 13.Sept.13}

But they did not hear about an actual deal in which Pan Am, and separately Phin Sprague, will permit an extension of the rail line to reach IMT, languishes.

MDOT spokesperson Ted Talbot said on 18 September he had no update to report. The transportation bond's $3 million for marine freight will not cover the proposed cold-storage warehouse for the IMT, he said. “That's for currently-unknown market-based opportunities. We want to stay nimble.” {ANR&P discussion 18.Sept.13}

PAN AM: “OVERREACHING AT BEST”**

3 September, Hartford. THE U.S. DEPARTMENT OF LABOR DETERMINED THAT PAN AM INAPPROPRIATELY RETALIATED AGAINST AN EMPLOYEE who filed a complaint with the Occupational Safety and Health Administration, according to a press release provided to Waterville Maine news media.

The text of the finding on whistleblower protection (provided in the Federal Railroad Safety Act or FRSA), obtained by a Freedom of Information Act, indicated that Pan Am held a second disciplinary hearing with the employee, who was not identified by the Department of Labor, after he filed his complaint to the federal workplace safety administration. The department determined that second hearing, during which the company accused the employee of lying, was retaliatory.

Sequence of events: Employee on 5 October 2011 notices unsafe situation (pile of old ties) in Pan Am's
Waterville yard, reports it to trainmaster. On 24 October employee dismounting locomotive steps on same pile, injures self. On 1 November, Pan Am charges him with violating a safety rule, not being assured of firm footing. On 11 November Pan Am conducts disciplinary hearing and issues reprimand on 28 November. On 6 December employee files complaint with OSHA alleging retaliation.

On 23 December Pan Am issues him notice of second hearing.

The finding stated:

On about December 23, 2011, Complainant received a notice of a second hearing scheduled for December 29, 2011. Respondent [Pan Am] charged Complainant with providing false statements to the Carrier on November 11, 2011, and/or to a government agency [OSHA] in connection with his description of how the October 24, 2011 injury occurred.

Complainant was charged with violations of Carrier Safety Rules PGR-C and PGR-L which read in pertinent part:

PGR-C – “Any act of insubordination, hostility or willful disregard of the Company’s interests will not be condoned and is sufficient cause for dismissal.”

PGR-C – “Employees must conduct themselves in such a manner that their Company will not be subject to criticism or loss of good will.”

PGR-L – “Employees who are dishonest, immoral, vicious, quarrelsome, and uncivil in deportment or who are careless of the safety to themselves or of others will not be retained in service.”

The employee notified OSHA of the second hearing. The second hearing was held and Pan Am dropped the charges.

“Chilling effect”

The acts [in the second hearing] of accusing an employee of lying to OSHA after he filed an FRSA complaint, charging him with violating safety rules that if he was found guilty of could result in his termination, and conducting trial proceedings, have a chilling effect on Respondent’s employees and would tend to dissuade others from asserting their rights under FRSA. Even if the charge is later dropped, as it was after the hearing in this case, that does not remedy this chilling effect, as the act of bringing the charge against an employee affects all of Respondent’s employees’ willingness and ability to exercise their most basic rights under FRSA.

Respondent’s use of an internal, management-run disciplinary hearing to establish facts that are the subject of a federal OSHA investigation is overreaching at best and interfering with a federal investigation at worst. Regardless of Respondent’s intent, such a heavy-handed approach would clearly chill other employees from filing similar claims. Therefore, OSHA finds that Respondent retaliated against Complainant when it charged him with lying and held an investigatory hearing.

DOL ordered Pan Am to pay $10,000 in compensatory damages, and $40,000 in punitive damages, and inform its workers of whistleblower protection. {text of finding in case Re: Pan Am Railways, Inc. 1-0160-12-011}

Appeal?

On 3 September Pan Am Executive Vice-president Cynthia Scarano said the second hearing was to clarify details of the employee's claim and verify the facts presented in his complaint. She could not say which parts of the ruling the company would appeal. Scarano said there was no disciplinary action taken against the employee after that second hearing. {Doug Harlow in Kennebec Journal 3.Sept.13}

According to the Department of Labor's website on appeals, which go the Office of Administrative Law Judge, an appeal is filed in a dispute between Pan Am Railways and Jason Raye. The website does not provide further information. {DOL OALJ website}

PAN AM: KITTERY SHIPYARD ACCESS*

5 September, DC. MAINE AND NEW HAMPSHIRE DID NOT GET FUNDS FOR THE RAIL PART OF A NEW BRIDGE BETWEEN PORTSMOUTH AND KITTERY. Joyce Taylor, chief engineer for the Maine
Department of Transportation, said 6 September the states still intend to go forward with plans for the rail line, which would carry nuclear waste in and out of Portsmouth Naval Shipyard.

Taylor said she did know how the two states will make up the difference or whether those discussions will result in a delay in construction. Work is expected to begin on the $160 million replacement in fall 2014.

“We were very hopeful, but we knew going into it that Maine's had a lot of success with TIGER funding,” she said. “This is pretty rare money, so we knew it wasn't for sure.”

TIGER one of few dollar sources

The Mildred Long Bridge is the No. 1 red-listed bridge in New Hampshire and is nearing the end of its useful life. The two states sought a grant for the Long Bridge rail line because federal highway money cannot be used for rails. TIGER funding is one of the few means to fill the funding gap, state transportation officials have said.

The U.S. Navy has indicated it doesn't intend to budget money for the rail line. No other use is made of the rail line. {Deborah McDermott in seacoastonline.com 7.Sept.13}

PAN AM: PASSENGER EAST OF AUGUSTA?*

28 August, Augusta. AUGUSTA ENVISIONS A PASSENGER RAIL DEPOT IN EAST AUGUSTA at the Augusta-owned former American Tissue Company/Statler Tissue Company site [see 09#11A] in east Augusta [formerly a Pan Am customer – editor]. A display in City Hall prominently features a passenger train and station at the site.

On this day MRG/Downeast Rail President Dave Potter and former president Jack Sutton met with Augusta officials. While open to the concept of passenger rail, city officials emphasized issues relating to displacement of some 200 parking spaces that now occupy the graveled-over tracks through downtown west Augusta, [should passenger service start in Brunswick and proceed north].

Officials acknowledged the existing agreement to relinquish these parking spaces and expose the tracks within 30 days of formal notice by MDOT. However, they stressed that replacing downtown parking space and its cost will become a serious political issue and impediment to rail if this agreement is enforced without a simultaneous parking solution. City Manager Bill Bridgeo suggested the possible solution of adding two additional floors to the city-owned parking garage adjacent to the tracks – for which the parking building was originally designed.

The MRG duo acknowledged that basic infrastructure costs for passenger rail to Augusta will be considerable. They ask: 'However the downtown parking issue is a potential deal-breaker. Why not then consolidate Statler Tissue redevelopment with passenger rail service, a regional transportation hub in East Augusta, and downtown parking replacement as a phased city redevelopment program with multiple benefits and seek funding on the combined basis?

'We reaffirm support for the concept of a regional transportation hub for central Maine with rail station and extensive parking accessible from the highway system at or near the north end of the ATC site. All passenger trains would make touch-and-go rail stops in downtown Augusta to serve local interests. The transportation hub would attract ridership from a wide radius, while minimizing rail-related traffic and parking in downtown Augusta. The hub could centralize connecting bus and “last mile” transportation services between the downtown and outlying regions of the City and its surroundings.' {MRG/Downeast Rail newsletter 9-10.13}

DOWNEAST SCENIC: GOOD SEASON*

September, Ellsworth. DOWNEAST SCENIC RAIL PRESIDENT TOM TESTA REPORTED [see 06#01B]: “We had a very busy August, about 40% increase over last August, carrying almost 300 summer camp children in addition to regular excursion passengers. We are in the process of ongoing tie replacement and line maintenance and looking forward to a busy fall with advanced reservations up significantly over last year. We will operate weekends and Columbus Day through to Sunday, October 20, 2013.’ {MRG/Downeast Rail newsletter 9-10.13}
**TIGER V: EASTPORT**

4 September. **THE PORT OF EASTPORT WON A $6 MILLION GRANT TO REPLACE ITS FAILING BREAKWATER.** The new barrier will feature composite materials to provide stronger breakwater protection, US Senator Susan Collins said in a press release. 'These funds will help build and maintain infrastructure to support our commercial fishing industry, while also supporting operations of the U.S. Coast Guard, U.S. Navy, and Customs and Border Control.' {Progressive Railroading Daily News}

This project is not funding the new cargo terminal at Estes Head, rather the downtown pier. USDOT project summary stated the total project cost as $11 million. 'In addition to restoring the deteriorating infrastructure, this Fix-it-First project will increase berthing space to enable larger commercial and recreational vessels to service Eastport. The breakwater serves as an overflow facility for nearby Estes Head as cargo activity and bulk tonnage shipped through the port slowly increased in the past decade. This project will provide infrastructure improvements to facilitate continued export growth in the region.' {USDOT website}

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**MASSACHUSETTS**

**GU: ENOUGH MONEY?**

9-15 September, DC. **THE RAILROAD AND THE TOWN OF GRAFTON SPARRED OVER THE FINANCING OF THE PROPOSED PROPANE FACILITY,** in filings at the STB.

**GU filing**

On 19 August, the Town contended that GU wanted the propane facility to look like a railroad facility to permit federal pre-emption [see 13#08B]. The Town argued that the sudden disappearance, from the railroad's plans, of the two companies which would fund and operate the facility looked preposterous.

GU asked for leave to file supplementary facts. In its 9 September request, it stated:

The discussions with the Propane Companies have now resulted in the execution of an Equipment Purchase Agreement, Assignment of Contracts & Termination Agreement dated as of August 14, 2013 (the "Termination Agreement"), a copy of which is attached hereto as Exhibit I.

In accordance with the Termination Agreement, title to the tanks and other equipment has been transferred to G&U pursuant to a Bill of Sale dated August 14, 2013, a copy of which is attached as Exhibit A to the Termination Agreement.

The tanks are being stored by G&U in Fall River, Massachusetts pursuant to a license agreement between G&U and the City of Fall River....

There can be no doubt, therefore, concerning the veracity and credibility of G&U's representation that Spicer Plus, NGL, the 3 subsidiaries that entered into the agreements with G&U or any other company in the propane business, will not be involved in the G&U transloading facility.

GU argued that whether it has the financing and ability to complete the work and operate “is not before the Board”:

As a result of discussions subsequent to the filing of the Petition, LPG Ventures has agreed with G&U to complete the construction pursuant to the original contract, which has been assigned to G&U....

While G&U is confident that it has the ability on its own to construct and successfully operate the transloading facility, G&U recognizes that it alone bears the risk that its belief in the commercial feasibility of the project may not be fulfilled. If G&U cannot finance the construction, hire employees with the appropriate experience or generate sufficient business to sustain the operation of the facility, G&U alone will bear the consequences.

More to the point for purposes of this proceeding, whether the project, as conceived by G&U, is commercially feasible is not an issue before the Board as it considers the Petition.

**Town of Grafton filing**

On 17 September the Town responded, saying the STB needed to closely examine the GU arrangement:
Although G&U has claimed that it has unilaterally terminated its contracts with the "Propane Companies", relieving them from their central role in the financing, construction, and operation of the proposed propane transloading facility, on careful inspection of the pleadings and exhibits, it is clear that G&U has not actually "terminated" its involvement with NGL Terminals Co.

Specifically, in its Petition for Declaratory Order, G&U had identified NGL Terminals Co. as a principal source for funding the facility under its original scheme. However, none of the letters which G&U sent out unilaterally to "terminate" the arrangements with the "Propane Companies" (see Exhibits B through E of the G&U's Petition, reprinted as Exhibit E to the Supplement), was sent to NGL Terminals Co.

Therefore, based on the papers filed thus far, including those in the "Supplement", nothing actually may prevent G&U from relying upon the resources of that international propane corporation to fund the construction and operation of the propane transloading facility or for the railroad to continue to be its proxy, calling into question whether the transloading facility will actually be controlled and supervised by G&U.

Thus, it remains crucial to ascertain whether NGL still will be playing a role and, if so, whether it will be NGL or G&U that will have the ultimate control and supervision of the facility's construction and operation. {text of filings on STB website, filings page, Financial Docket No. 35752}

NEW HAMPSHIRE

NHN: TIGER V GRANT
4 September, DC. **USDOT ANNOUNCED A $1.2 MILLION GRANT TO THE RAILROAD**, which will rehab existing track, extend the track north a mile to a potential new customer, and upgrade two crossings.

With a contribution of $450,000 from NHN, and $150,000 from NHDOT, the total project will cost $2 million.

According to the application, all work will occur in 2014.

**More gravel traffic**
The application stated: 'Looking forward over the next five years, it is impossible to increase freight volumes over 6000 cars annually without the proposed improvements. With the improvements, the railroad will be able to return to its 15-year average volume of cars of 8,200 a year and have the capability to almost double that volume which would remove 24,600 carloads from an already overtaxed highway system. The peak year of freight movement was 13,447 in 2001.' {page 10}

Propane deliveries to Eastern Propane in Rochester [see 12#03A] forms 14% of the annual traffic. {page 8} Eastern distributes more than 50% of its deliveries out of the rail terminal.

**Track upgrade**
Installing 10,102 ties ($972,000) and resurfacing ($222,000) totals $11,994,000 for the track. The application stated:

'The number of cars per train would be able to be increased after the proposed improvements. The first 8 miles of the track from Ossipee traveling south has extremely steep grades which, depending on the speed restrictions of the trains, dramatically affects the tonnage and therefore the number of rail cars that can be pulled.

'Throughout the entire line, speed restrictions reduce not only the speed of the train, but also the tonnage that can be pulled. These improvements will allow for freight tonnage volumes to meet future anticipated demand....
The improvements along the 42 miles of line will allow the track infrastructure to handle 286,000-pound railcars...to...increase the railroad's ability to attract new customers given its location which is strategically connected to three ports (Port of Portsmouth, Port of Portland, and Boston at the Everett Intermodal Terminal) and an international airport (Pease International Airport).

The new customers: more propane
According to the grant application: 'This project will refurbish the 0.7 miles...north of the NHN engine house in Ossipee which was not renovated by NHN since it purchased the railroad facilities from Boston & Maine [Pan Am – editor] in 1986, and has been unused since a major washout along this portion of track occurred in 1993.

'The repair of the washout and upgrade of the track structure will open up hundreds of acres in Ossipee for new economic growth. One large potential customer, Asset Traders LLC, recently purchased a large tract of land with an abandoned rail siding on this unimproved section of the NHN line with the expressed desire to utilize the rail for various business opportunities including a propane distribution center.'

Repairing the washout ($375,000) and upgrading the 0.7 miles north of the washout to the siding ($100,000) will total $475,000.

'Asset Traders are in negotiations with a turbine generator systems supplier interested in establishing a satellite facility in Ossipee, a recreational vehicle dealer, and a demolition and scrap steel dealer. All of these companies are interested in moving to this location if rail service can be extended to this portion of the line; without the improvements to the rail line, these companies may move on to a different location.'

Astounding FRA error
On 12 September after the TIGER V announcements, FRA Administrator Joe Szabo wrote in a post on the USDOT 'Fastlane' page: 'In New Hampshire, I met Dean Boylan, the chief executive officer of the Northcoast Railroad [sic], owned by Boston Sand & Gravel. The Northcoast was established in 1986 on an abandoned rail line. And with the improvements made possible by TIGER, the Northcoast Railroad’s ties to Pan Am Railways will be strengthened, while re-establishing connections to the St. Lawrence & Atlantic Railroad to reach ports in
Portland and Portsmouth.'

Your editor, in shock, wrote in the comment section of Fastlane that Szabo's statement has three errors: the grant will not reopen the line to SLR in Groveton, SLR no longer reaches Portland's port, and never reached Portsmouth. *Editor*

**The application discusses a connection to the SLR in the future**

The application states: 'The repair of the washout is a necessary precursor for any potential of rail service to the North Country via the line owed by the State of New Hampshire that immediately abuts the NH Northcoast line. That segment of the former Conway Branch runs into Conway NH and could allow for connection via other rail lines owned by the State of New Hampshire to connect to the [SLR]. [See *Editorial*.]

'NHDOT acquired the balance of the Conway branch in part to provide a north-south rail corridor through the State of New Hampshire. This connectivity potential is one of the main reasons for these improvements and would open up tremendous potential for new customers for all the railroads in northern New England.' {page 4}

**A note of caution**

Marc Ambrosi, transportation planner with the Somerset County Regional Planning Commission, commented on the connection to SLR.

Just upgrading the line to Conway would cost $18 million according to an estimate ten years ago.

"The idea down here in the seacoast would allow the North Country access." In particular, Ambrosi mentioned, "Schiller biofuels" (the PSNH Schiller wood-burning station could receive woodchips from the north) but also "other opportunities." He sees this idea "20-30 years out, on a long-term time scale." {ANR&P discussion 19.Sept.13; Bob Sanders in *New Hampshire Business Review* 4.Sept.13}

**TIGER V: NO SLR $$**

4 September, DC. *A REQUEST FOR $8.725 MILLION TO IMPROVE 20 MILES OF TRACK* on the SLR was apparently not funded. If true, it would mark the fifth time the North Country grant was rejected. {Bob Sanders in *New Hampshire Business Review* 4.Sept.13}

**PAN AM: PROPANE CUSTOMER COMING* **

9 September, Newington. *SEA-3 SUBMITTED PLANS TO EXPORT PROPANE (LPG)*, as it was considering earlier [see 13#03A], using expanded facilities. At 109 Shattuck Way, Sea-3 would upgrade the existing railroad siding, install a new railroad siding with discharge pads to accommodate up to 10 additional rail cars, and install three 90,000-gallon above-ground tanks and associated chilling and pumping equipment required for propane storage.

Pan Am and Sea-3 officials, including Cynthia Scarano, attended an informal discussion at the Planning Board this day. {ANR&P discussion 12.Sept.13} The following is based on later conversations with Morgan, Bogan, and Scarano:

**Former import**

Paul Bogan, Sea-3 vice president of operations, and Town Planner Tom Morgan said Sea-3 has traditionally imported propane from Algeria; large orange freighters have traveled up the Piscataqua River to deliver propane shipments to Sea-3 over the years. In Sea-3’s import heyday, the company accepted 10 to 12 such shipments annually, but in recent years, the deliveries have dropped precipitously.
Now export
The company's proposal would allow it to 'provide bulk volume available for shipping by sea to accommodate domestic and foreign product price fluctuations,' according to a letter from Haight Engineering to the town planning office. The expansion, according to the letter, would increase the volume of product the existing facility can off-load from rail cars and store in existing on-site tanks.

"The product we bring in ... part of it would go by truck into the domestic market and part of it we would ship out to the foreign market," primarily in Europe, Bogan said.

Morgan said the use Sea-3 is proposing is permitted by zoning, but the company will require some dimensional relief from town codes. He expects Sea-3 to have the necessary items filed so it can meet with the Zoning Board of Adjustment on 30 September.

Sea-3 will appear at the town Conservation Commission to discuss its proposal, which requires building in the shoreland buffer.

Rail facilities
Bogan noted the business did some exporting in the 1980s and that rail cars carrying propane have arrived at Sea-3 for years [see 02#01]. Bogan said the company only wants to increase its capacity by six rail cars, adding to the capacity to unload six cars that has existed since 1975.

Pan Am rail service
The rail line that services the Shattuck Way industrial corridor in Newington is part of the old Portsmouth and Dover Railroad that was built in 1874. It is now owned by Pan Am Railways as part of a line that runs out of Newington and crosses through multiple communities before meeting up with the Rockingham Junction Station on the border of Newmarket and Newfields.

Cynthia Scarano, executive vice president of Pan Am Railways, said the company does not talk about specific customers, but noted the line is getting more business, not only from Sea-3 but also from other customers along the corridor. She said Pan Am has five "very active customers" and another two or three that occasionally use the freight line.

According to the 2006 Directory of Rail Freight Facilities and rail observers, these could be:

"very active"
Highliner Foods
Boise Cascade*
Tyco/Simplex (inbound pellets)
Sprague Energy(inbound aviation fuel)**
Sea-3 (propane)

"occasional"
Granite State Minerals #39 (inbound CaCl)
International Salt (inbound CaCl at State Pier)
Portsmouth Shipyard #41 (nuclear waste)

potential customers
Some years ago, Grimmell moved scrap metal to the State Pier [see 03#08B]. Ricci Lumber lies on the line to Portsmouth Yard.

Novel Iron, not on rail, could transload. Their plant lies almost next to Boise Cascade in Greenland. {NERAIL e-list}

*According to a Boise official speaking in 2012, Boise moved its yard and office to the town of Greenland. However, it retains the facility at 270 Ocean Way in Portsmouth (just under, and visible from, the Piscataqua Bridge northbound). Here Pan Am spots boxcars and centerbeam lumber cars; Boise drays the contents to Greenland. {ANR&P discussion 25.Oct.12; coverage}

** In 2003 Sprague received a permit to export wood chips. {Michael Goot in Foster's Daily Democrat 10.Nov.03} That has not occurred. {ANR&P discussion with Morgan 12.Sept.13}

Safety
Morgan said the tracks “aren't in great shape.” Pan Am assured the Planning Board that they will be upgraded. To ship propane on rail lines, Scarano said the track has to meet federal FRA Class 1 standards; it currently meets the standards, but Pan Am will conduct some upgrades anyway due to the anticipated increase in business.
Pan Am inspects the track weekly; at least once a year, a private company x-rays the line to search for cracks and other problems invisible to the naked eye, she said. Portsmouth Fire Chief Steve Achilles said he was not aware of the projected increase in activity along the line, but expects the city would be included as talks become more formal. In 13 years in Portsmouth, Achilles said he hasn't seen any significant propane transportation incidents. Even when a tanker carrying propane rolled over at the traffic circle in 2001, there was no fire and no propane leak. "Propane travels on our roads all the time. The containers are very safe." {Joey Cresta in Portsmouth seacoastonline.com 12.Sept.13}

**NHDOT: DRAFT PLAN**

10 September, Concord. *THE DEPARTMENT RELEASED ITS 10-YEAR DRAFT SPENDING PLAN*, required by statute every two years [see chart]. Rail received 0% (rounded).

![Draft 2015-2024 Ten Year Plan Share of Total Dollars by Program](image)

**For rail, four projects:**


2015: MBTA passenger depot and layover facility in Plaistow, operate trains, $2.14 million.

2015-2024: annual crossing improvements.

2015-2024: special railroad fund $400,000 each of ten years, funded by railroad operations on state-owned lines and expended on state-owned lines, $4 million. {text of draft report from NHDOT website}
6 September, East Providence. **RIDEM ANNOUNCED THE CLOSURE AND CLEANUP OF TLA/POND COMPLETE.** In a press release this day, the Rhode Island Department of Environmental Management stated: 'Over the course of the past four months, 12,524 tons of material has been removed from the facility located at One Dexter Road. This includes 46 truckloads, or 820 tons of wood; 105 railcars carrying 9,677 tons of construction and demolition debris and post-recycled material; 42 truckloads and three railcars carrying 1,808 tons of construction and demolition fines, which have a dirt-like consistency; and 220 tons of metals....

'The cleanup and closure were conducted by the property owner of One Dexter Road in East Providence, under the terms of a Performance Agreement executed between the property owner and DEM.'

**Future site activity**

'The owner of the property [Kenlin Properties] can perform any activities on the site allowed under state or local laws/permits/ordinances. DEM has received inquiries and complaints concerning general access, truck traffic, and moving equipment on the site which are outside of DEM's jurisdiction. Like other commercial and industrial properties across the state, there are many activities which DEM has no authority to control or regulate. Some of these issues may be subject to local ordinances, but DEM does not have jurisdiction to respond to these issues.' {RIDEM press release}

**Legal status**

The City of East Providence Zoning Board decision against TLA was found in error in Rhode Island Superior Court on 2 August. TLA-Pond View and Kenlin Properties appealed the 2011 East Providence Zoning Board decision which deemed the operation to be in violation of city guidelines. {Richard Salit in Providence Journal 5.Aug.13}

“What the Zoning Board did was find (Pond View) to be in violation of the original variance. People need to understand we can’t put (Mr. Foley) out of business,” Zoning Board Chair Gene Saveory said. “And the DEM is in charge of the tonnage, not us. All we can do is make sure they operate during the appropriate times and abide by the variance.” {Mike Rego in EastBayRI.com 5.Aug.13}

The City voted 3-2 at a special Council session on 20 August to appeal the Superior Court decision.

**Ken Foley operation and comments**

Meanwhile, Foley is operating at the site a metals reclamation facility [see 13#03B and photo – will PW return?].

In an op-ed published on 30 August, Foley wrote *inter alia*:

'A sizable body of data, reports, documentation, inspections, photographs, (Ed Pimental – East Providence zoning officer; decibel readings) etc. has vindicated, exonerated and otherwise proven that Pond View and Foley operations, from day 1, have been responsible and law abiding.

'The creation of a recent law by the General Assembly designed specifically to close my company,
which required a certificate of compliance from the zoning board as a condition of permitting, has given the City of East Providence the perceived ability to regulate beyond their purview of its authority (commerce and environmental regulations) and to erroneously (purposely I believe) interpret their own zoning by laws to satisfy a parochial, political vendetta. It was successful in putting TLA-Pond View out of business; however, had TLA the ability to wait, their patience would have been rewarded.

'Once again, the City of East Providence lost, this time in Superior Court [see above]....Instead of wasting hundreds of thousands of dollars on attorneys for the current political witch hunt [appeal], environmental monitoring can be purchased for several thousand dollars.

'I made the following offer to the City of East Providence a while ago, most recently at the City Council meeting of August 20, 2013, and I will reiterate it: while the 1,500-ton per day permit is pending in bankruptcy court and the appeal to the State Supreme Court has yet to occur, I will accept a negotiated 500-ton per day permit, enclose the recycling operation within a prescribed period of time, and provide a host fee to the City of East Providence of $1 per ton for all materials that travel over the scale. Prior to the sale of Pond View to TLA in 2008, Foley businesses contributed well in excess of $1mm to the East Providence economy in the form of vendor purchases, provided 45 good paying jobs, and paid $100,000 in annual real estate taxes.'

{EastBayRI.com}

VERMONT

TIGER V: VRS**

5 September, DC. AN $8.9 MILLION TIGER GRANT TO VAOT WILL EXPEDITE SOME WESTERN CORRIDOR RAIL REHAB, which will cost $18.5 million, according to USDOT. The project over 20 miles of the right-of-way between Rutland and Leicester will replace nine miles of stick rail, improve 11 at-grade farm crossings, and include other items to eliminate slow orders and increase speeds up to FRA Class 3 standards (40 miles per hour). {USDOT website}

Vermont reaction

“This is a freight grant, but the benefit is it can also be used for passenger service,” said Christopher Cole, VAOT director of policy and planning, during the announcement ceremony at the former Burlington passenger depot. “It puts us a lot closer to where we can have conversations with Amtrak and return passengers to this train station.”

Governor Peter Shumlin noted that Vermont was selected from among 584 other applicants for one of the 52 grants awarded in TIGER V.

Christopher Parker, executive director of the Vermont Rail Action Network, said the state’s success in securing two TIGER grants demonstrates not only the quality of the projects, but also the power of the state’s Congressional delegation. “We were competing with projects all over the country. It is important to bring it up at the right moment to the right people.”

The Vermont Rail Action Network has long argued that redevelopment of the western corridor should be a transportation priority, but Parker said Shumlin made it a priority after he was elected governor in 2010. “That commitment has unlocked
state resources,” Parker said, adding that the state’s commitment has persuaded federal officials to invest, too.

**Remaining work**

After completing the newly-funded stretch and other projects, only 12 miles (in two sections) of stick rail will remain on the northern leg of the western corridor from Rutland to Burlington.

Dan Delabruere, director of the VAOT rail program, described the work done, the work underway (about 10 miles in bits), and the work remaining (12 miles in two parts).

**Rutland to Leicester** (subject of TIGER V)

**Leicester to Salisbury.** This, roughly two miles, is one of two sections of stick rail which will remain to be done.

**Salisbury to Middlebury.** This roughly five-mile section is part of the 10 miles of work in design; VAOT has funding to do it.

**Middlebury to New Haven Junction.** This, roughly two miles, is one of two sections of stick rail which will remain to be done.

**New Haven to Vergennes.** This roughly five-mile section is part of the 10 miles of work in design; VAOT has funding to do it.

**Vergennes to Charlotte.** This was done with left-over money for the Champlain Flyer [see below].

**Charlotte to Burlington.** From Charlotte (MP 109) to Burlington (MP121.5) the track was improved for the ill-fated Champlain Flyer [see startup December 2000 in 00#24; it ended in 2003]. Delabruere said a small piece remained in Burlington, to be done as part of the 10 miles. {ANR&P discussion 19.Sept.13}

The goals of operating 286,000-pound freight cars at 40 miles per hour on the route and extending passenger service north to the state’s largest city now seems within reach, state officials said. Cole said another $42 million was needed.

**Omya**

Omya Inc. in Florence will be able to fully load its cars. VRS President David Wulfson welcomed the grant, telling officials, “I just want to say thank you.” {Nancy Remsen in Burlington Free Press 5.Sept.13}

On 6 September he said that Bridge 219 in Florence would be made 286-bearing, the only bar to Omya to the south [see 12#02A] and then out CLP [see map]. “That was the goal of this project.” {ANR&P discussion}

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**MARITIMES**

**CANSO: EXPORT PLANS**

9 September, New York City. **NUSTAR ENERGY PLANS TO EXPORT CRUDE OIL BROUGHT IN BY RAIL** to its Point Tupper facility [formerly Statia Terminals, purchased by NuStar in 2004] on the Strait of Canso [see map]. Doug Comeau, the company’s vice-president and chief executive, told analysts at a meeting here, inter alia:

“And we think that we have opportunities for Point Tupper, Canada as a terminalling opportunity on the East Coast. We’ve had some people that we have been talking to, not only about Western Canadian crudes, but also NGLs that would be taken to the terminals. So there is a opportunity for Point Tupper to have additional
EBITDA coming from unit trains or trains going into the – we’ll start probably with manifest trains, something in the 16 to 20 car-type range, heat those up and then put them into tankage and get them out or build bulk and then be able to put those crudes to market.

“And we plan to do exactly the same thing out of Vancouver, Washington and the terminalling opportunity.”

**Cost of unit train: $45 million**

Comeau also reported on NuStar’s facility in St. James, Louisiana. “We talked about the unit train in St. James. We’re up to having two unit trains in St. James and we have a commitment from a third-party that supports the construction of the second unit train. That unit train – the first train was completed in April of 2012. It’s been like I said – it’s been very, very successful doing more than a turn a day on the train.

“The second unit train is $45 million, and we expect it to have it serviceable and ready-to-go in the last quarter of this year, but specifically some place around December.” {NuStar transcript from SeekingAlpha.com 10.Sept.13}

**The facility**

NuStar’s Cape Breton operation is a storage and transshipment terminal capable of handling 7.6 million barrels of refined products and crude. The facility has 37 storage tanks, and more capacity would be added as part of the railcar project, Comeau said.

**CBNS welcoming**

The railway welcomes the new business, said Mario Brault, president of parent company, Genesee & Wyoming Canada in an interview from Montreal. “We are ready, willing and able to do it.”

Brault noted the short line already handles petroleum products for Imperial Oil. He was “very confident” it could comply with any directives from Transportation Canada. While he wasn’t familiar with the details of the NuStar plan, Brault called the prospective development “a breath of fresh air” and was looking forward to discussing the project with the Texas company. “It is good news and we are ready.” {Bruce Erskine in Halifax Herald 13.Sept.13}

**Reaction in Cape Breton**

Billy Joe MacLean, mayor of Port Hawkesbury, didn’t know about it either. But he said the town would welcome such a project in the area. “We’ll take all we can get. We need jobs,” he said.

Steve Sampson, warden of Richmond County, where the NuStar Energy facility is located, said the company talked for some time about a possible railcar facility but he’s not aware of any specific proposal. “I know that they continue to have discussions with prospective customers. Nothing is confirmed at the moment,” he said. The warden said he’s not worried, in light of the Lac-Megantic disaster, about crude oil shipments by rail to the region. “I’m sure … that all measures regarding health and safety in the transport will be highly considered and monitored to the Nth degree,” he said.

**Safety**

Steve Newson, a NSDOT department policy adviser, said the federal agency issued an emergency directive on the shipment of dangerous goods after the Quebec derailment and explosion. The province also issued the same bulletin to CBNS, he added [see 13#07B].

“The railway actually responded very well. They were already in compliance with it,” he said. Tanker traffic to and from the Strait of Canso dropped 50% last year, according to the Atlantic Pilotage Authority [see 13#04A]. [But Irving’s Saint John facility did take some – see table in 13#08B]. {Joan Alberstat in Halifax Chronicle Herald 10.Sept.13}
Strait of Canso. 2001 map (01#12B); Statia is now NuStar. Point 4 roughly indicates the location of the proposed Maher Melford Terminal. Stora became NewPage became Port Hawkesbury Paper, now profitable (Cape Breton Post 11.Sept.13). US Gypsum closed in 2002 (02#07B). Georgia Pacific not using rail (02#11A).

1 Martin Marietta Materials Canada (aggregate quarry, deep-water terminal, rail spur, coal-unloading)
2 Georgia-Pacific Corporation gypsum export facility
3 US Gypsum plant making gypsum fibreboard and exporting. Terminal for a barge.
4 Mulgrave Common Wharf. Salt transloading, foreign fishing vessels, paper export for Kimberly-Clark
5 Stora Forest Industries. Supercalendered paper
6 Nova Scotia Power generating plant. Rail runs this far south for coal delivery.
7 Statia Terminals petroleum storage and ocean terminal.
8 Marine fabricating facility.
9 Salt caverns, not in current use.
10 Hospital. 11 Nautical Institute/Community College (Strait-Highlands Regional Development Agency website)
CANSO MM(1): TOP 13 LIST*

3 September. **THE MAHER-MELFORD INTERMODAL TERMINAL PROJECT MADE THE TOP 13 LIST** created by the Journal of Commerce to reflect infrastructure work planned for North America. {Journal of Commerce Daily Newswire}

![Maher’s Canadian Combination](image)

Maher’s Canadian Combination

Maher Terminals is building a 315-acre, $350 million container terminal and intermodal rail facility in Nova Scotia. The terminal, located on a 14,000-acre industrial reserve, will be the closest North American east coast port to Europe and Asia. The terminal’s 60-foot draft at berth will make it one of a few North American ports on the east coast able to handle post-Panamax vessels. The terminal would give Maher a Canadian one-two punch, joining the operator’s 5-year-old operation at Prince Rupert, British Columbia, one of the fastest-growing ports in North America. {Artist Rendering: Maher Terminals}

More credibility?

Being identified in a major list of infrastructure projects planned for North America is an indication there are some “believers” in the proposed $350-million container terminal planned for Melford [see 13#07A] at the Strait of Canso, said Maher Melford’s Richie Mann. “I am sure there are still skeptics but obviously some learned industry officials are believers,” he said. “I think as important is the fact that Maher is bullish on the project and they have the best experience with the development of a Canadian green field terminal.”

No start date: large vessels?

Mann said he has no “crystal ball” that will show when the project will start but “we are very pleased and confident with the progress being made.”

In June, major carriers CMA CGM, Maersk Line, and Mediterranean Shipping Company said they had agreed to establish a long-term operational alliance on East – West trades, called the P3 Network. {CMA CGM release 18.June.13}

Mann said the planned alliance is “a very positive development for us. Undoubtedly, the P3 will be operating large vessels and Melford is obviously well positioned to accommodate the larger ships. The ability to provide the type of efficiency found at Prince Rupert is not missed by anyone utilizing or intending to utilize the mega ships. Actually, if you can attract any one of the big three carriers, and given their alliance and VSA [vessel sharing arrangement], it probably is a positive thing.” {Richie Mann in an email to ANR&P correspondent Tom Peters 4.Sept.13}. 
CBNS-CANSO MM(2): NEXT STEP FOR MAHER MELFORD

13 September, Strait of Canso. MELFORD HAS CLOSED THE DEALS TO ACQUIRE THE NECESSARY LAND TO BUILD A $350 MILLION CONTAINER TERMINAL, [see 13#07A] the Municipality of the District of Guysborough and the province of Nova Scotia announced this day. [See 08#10B – next step is concluding land deal. Also see 01#12B for earlier proposals for a container terminal in the Strait.]

Land size
Guysborough Chief Administrative Officer Barry Carroll said the municipality transferred approximately 50 acres of waterfront land to Melford. {discussion with ANR&P correspondent Tom Peters 16.Sept. 13}

Gretchen Pohlkamp, executive director Lands Services with the province’s Department of Natural Resources, wrote that the province transferred 700 acres including rail corridor (230 acres), logistics park (150 acres) and terminal lands (including waterlot) 220 acres.

Option to repurchase
'The sale is subject to an option in favour of the province to repurchase the land should construction of the terminal not begin by Oct 23, 2014 and terminal operations not start by Oct 23, 2017.' {e-mail to Peters 16.Sept.13}

'The Crown will release its repurchase option upon the completion of each of the milestones – start of construction, commencement of terminal operations, sale of the logistics park lands, and establishment of the railway.' wrote Bruce Nunn, communications advisor to the Nova Scotia Department of Natural Resources. {e-mail to Peters 17.Sept.13}

Purchase significant
“It’s a milestone day for the development of this project and our municipality couldn’t be happier with the news that the land transactions have been completed,” said Vernon Pitts, Guysborough’s deputy warden {press release 13. Sept. 13}

Maher Melford’s Richie Mann said the company now has all the land its requires for the project and can concentrate all its efforts on attracting a carrier and cargo owners, the next major hurdle before starting construction. {e-mail to Tom Peters 16.Sept.13} “We’ve been working with carriers, we’ve been working with cargo owners. Those discussions are going very well. We’re confident in the not too distant future we’ll be able to close some of those deals and hopefully get shovels in the ground sooner rather than later,” he said.

Price; option to buyback
Neither the province nor Guysborough would disclose the purchase prices noting confidentiality.

Mann would not reveal the price other than it was a seven-figure deal and with the land acquisition, private investors have spent well in access of $25 million so far
on the project. {Dan Walsh allNovaScotia.com 16 Sept.13}

**Rail access**
The maps show the rail corridor to the proposed terminal. The alignment would follow the old rail corridor (which ran to a ferry terminal in Mulgrave [see map in 05#12B] superseded by the causeway) for about 12 miles. A new alignment is needed from the end of the corridor in the map C3 through C2 and to C1, to reach Melford. Maher Melford will construct that. Editor

**Rail corridor purchases not complete**
In responses to questions about the extent of the purchases, Pohlkamp wrote that 'MITI is buying any private land in the corridor. The province has sold all the Crown land that we own in the corridor to MITI...It's all the province owns. Pieces were sold to private individuals before the province acquired the remaining corridor. MITI will need to buy from private owners.'

C3 map. The province acquired in 1997 the old rail corridor in C3 it is selling to MM.

C1 map. The province owns the larger parcel in C1. MITI has an option on some of the land. {e-mail to Peters 18.Sept.13}

**But almost done**
Mann wrote on 19 September about the private lands: 'practically all pieces have been finalized and documents executed. May be a couple of slivers where title is not clear and expropriation may be necessary in order to clear title, but no concerns. We wouldn’t close on any of the lands unless risk on all lands was removed.' {e-mail to Peters}

**YARMOUTH-PORTLAND FERRY**
5 September, Yarmouth. NOVA SCOTIA'S GOVERNMENT HAS COMPLETED A DEAL WITH QUEST NAVIGATION TO RUN A DAILY FERRY SERVICE next summer between Portland and Yarmouth, officials said [see 13#05A].

The vessel, built in Singapore, would be called the Nova Star. It has 162 cabins, two restaurants and a maximum capacity for 1,215 passengers. It is 59 feet longer than the Scotia Prince, which operated between Portland and Yarmouth from 1982 to 2004. Officials with Quest are now in Singapore, negotiating the final terms of that deal. {Tom Bell in Portland Press Herald 5.Sept.13}

**RAIL FREIGHT FACILITIES**

Described in this issue.
Asset Traders (NHN, New Hampshire) TIGER V grant will help.
Boston Sand & Gravel (NHN, New Hampshire) TIGER V grant will help.
Eimskip (Pan Am, Maine) Still awaiting rail connection.
Eastern Propane (NHN, New Hampshire) TIGER V grant will help.
GU propane (GU, Massachusetts) Sparring with town at STB.
Hunts Point Produce Market (New York, CSXT) TIGER IV funding.
Kenlin (PW, Rhode Island) PW to serve?
Maher Melford (CBNS, Nova Scotia) Gets rail corridor.
NuStar (CBNS, Nova Scotia) Railing crude for export.
Pond View (PW, Rhode Island) Cleanup complete.
Sea-3 (Pan Am, New Hampshire) Will export propane.
US Navy (Pan Am, Maine) No TIGER V funding for rail across the Piscataqua.
PEOPLE, EVENTS

PEOPLE
Deborah Hadden becomes Port Director of the Massachusetts Port Authority. Hadden was acting port director since October 2012.

NEW TOOL LEAVES OUT ATLANTIC NORTHEAST
The Journal of Commerce introduced on 19 September a web-based pricing tool for container moves within the United States. It's quick and handy, but only gives prices for certain cities. We are cut out entirely: nearest city, New York.

EDITORIAL

NHN A CHIMERA? A SPHINX?
NHN and its surrounds will clearly benefit from the TIGER grant awarded this month [see New Hampshire]. However, USDOT is sadly deceived by how northern New England would benefit. Somehow the agency sees NHN as a mythical beast which will reach out mysterious and profitable tentacles to the north, south, and east.

The connection envisioned by the NHDOT TIGER V application between NHN and SLR would need to pass over Conway Scenic track in North Conway, then onto NHDOT track north of Intervale. Trains would climb into Crawford Notch to Hazens and connect with NHCR to reach Groveton. Alternatively, they could turn left at Whitefield and, should Vermont re-open the track to St.Johnsbury, reach WACR.

This all sounds wonderful even if fanciful. But such a connection would help only customers on NHN reach the SLR. Other new customers on, say, NHCR or SLR or WACR already have connections. SLR reaches southern New England via Pan Am, WACR by NECR, and WACR via SLR.

Could someone be arguing for paying well over $20 million for competition to Pan Am? NHN's southern outlet uses Pan Am, so that doesn't wash.

Alas, NHDOT's application somehow led FRA and Joe Szabo into believing that they were opening up the North Country to rail-starved customers who would thereby reach Portsmouth and Portland. 'Tain't so.
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.

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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.’