Pan Am: Coal down, take or pay up. PW: 3Q13 up, intermodal up significantly.++
SLR:Passengers Portland to Montreal+commuter?* NEW YORK
[No report.]
QUIBEC
Transport Canada: Lack of safety audits. CONNECTICUT
New London: Container ships? Current ship calls.* MAINE
NBSR: Woodland planning tissue production.++
Pan Am: Lincoln Pulp no rail. FERC manipulation? Pan Am: Newpage shutters 1 paper machine.*

REGIONAL

CRUDE OIL++

Sightings
As always, this list, compiled from rail observer sightings, does not contain every train that moved, and may list one train more than once. Some counts come from videos; all counts may well contain errors.

NBSR
21 November. Eastbound from McAdam with three units and the usual consist of woodchips, clay slurry, LP gas tank cars, empty boxcars, and centerbeams, along with a few covered hoppers. (No oil.)

23 November. Westbound from McAdam with four units and 78 cars: 9 loaded centerbeams, 13 boxcars, 5 black tank cars, 5 open hoppers, 4 covered hoppers, 19 log cars (some look like ex-boxcars with the most of the sides cut out), 7 empty centerbeams, and 16 high-side gondolas (chip cars).

24 November. Eastbound left McAdam with 4 units and 53 cars: woodchips, empty beer boxcars, empty paper boxcars, LP gas tank cars, and empty centerbeams. (No oil).

1 December. Eastbound out of McAdam with three units and 68 cars: empty centerbeams, empty paper boxcars, LP gas tank cars, slurry tank cars, CO2 tank cars, empty scrap gondolas, beer boxcars, and covered hoppers, plus four cars lifted in McAdam which were an empty syrup tank car [from Ganong, presumably] and three empty fish food covered hoppers. (No oil.)

1 December. Westbound out of Saint John with five units and 72 cars: 4 covered hoppers, 9 black tank cars, 4 white tank cars, 14 loaded centerbeams, 2 empty centerbeams, 28 boxcars, 1 log car loaded, and 10 high-sided open hoppers.

CN
23 November. Westbound out of Moncton with four units and about 130 cars: half oil tank cars plus stacks, wood chip cars, Milford gypsum, and some boxcars.

24 November. Westbound into Saint John with four units (1 DMU) and 153 cars: 22 wells, many Tropical, one single stack; 29 low-sided gondolas (gypsum); 11 high-side gondolas; 81 black tank cars in eight cuts (biggest 21 and 27); 1 covered hopper; 2 white tank cars; and 8 boxcars.

28 November. Westbound into Saint John with three units and 58 cars: 5 autoracks, 41 black tank cars, 2 white tank cars, 1 high-sided gondola, and 9 boxcars.

NEW IRVING TERMINAL IN ALBERTA
Irving Oil is adding 40,000 barrels per day of rail loading capacity in Alberta [see Maritimes].

PIPELINE REVERSAL
In a 13 August 2013 letter which only came to light in November, the US State Department told the Portland Pipe Line Corporation that a reversal of its flow, permitting Montreal to Portland product, would require a new federal permit. That apparently reverses a 2008 letter indicating no permit would be required. {Whit Richardson in Bangor Daily News 2.Dec.13} [See South Portland vote in 13#11A.]
OFFICIAL REPORTING

Canada
On 20 November Transport Canada issued regulations requiring Class 1 railways to report each quarter to municipalities which dangerous goods were railed through their jurisdiction. Other railways must report annually.

Rothesay Deputy Mayor Nancy Grant is encouraged that Ottawa is acting, but the new rules will not require disclosing what passes through on any given day. However, the municipality, on the CN line between Saint John and Moncton, now knows the traffic. “Since Lac-Megantic, I think we have pretty well learned how to discern what's on the tracks.” Cars of spent sulphuric acid, ammonium nitrate, and oil are already labelled. {CBC News 22.Nov.13}

Maine
Melissa Morrill of Maine Department of Environmental Protection, asked whether Pan Am had yet reported its October crude oil as a new statute now requires [see 13#08B], wrote: 'Legally they have until the end of the month to send in the report and in this month they actually have until December 2, because the last day of the
month is on a Saturday.' {e-mail to ANR&P 25.Nov.13}

MMA: WHO WILL BUY?++
3 December. TRUSTEE BOB KEECH SAID HE IS NEARING THE END OF NEGOTIATIONS WITH A STALKING HORSE. He expects to sign a contract this week to line up a 16 December court hearing in both Maine and Quebec on the auction and sale procedure. Once the bid is announced, he said, a half dozen other “committed” parties are doing “heavy due diligence.”

He declined to divulge either the parties or the price. {phone interview with Bill Rochelle of Bloomberg Business News in New York 3.Dec.13}

Keach was to decide by 15 November.

More Maine rail line rationalization?
This year, we have already experienced the end of service on Pan Am's Madison branch [see other article] and SLR's proposed discontinuance of its service to Portland [see 13#11A].

Pan Am Mattawamkeag line. Rumors now circulate of a rationalization of the lines between Bangor and the NBSR. Currently, Pan Am operates from Bangor to Mattawamkeag, and MMA from Bangor to Brownville Junction; each interchanges with NBSR on its line between New Brunswick and Brownville Junction.

The rumor mill says NBSR will acquire the MMA line from Millinocket to Brownville Junction to Northern Maine Junction in Bangor; Pan Am will pick up the MMA line from Northern Maine Junction to Searsport. Since Pan Am would then interchange with NBSR in Northern Maine Junction, it has no need to run all the way to Mattawamkeag, and could abandon that line.

Of course, that would leave Lincoln Paper and Tissue without direct rail service. Lincoln is not happy with Pan Am service anyway [see other article].

MMA Moosehead subdivision. The line through Lac Megantic to Maine is not yet restored. The only on-line traffic originates Jackman; the line needs overhead traffic to survive. All overhead is now moving via other routes, and one wonders whether any buyer will want to revive the line.

Irving Oil might like to, but faces a major hurdle in Quebec and Lac Megantic resistance to more crude oil traffic. {editor}

Would Maine buy the Moosehead? Unfortunately, our governor does not like to spend money for capital improvements; one old rail hand said, “I know for a fact that LePage thinks the state's buying the Millinocket to Madawaska line was a mistake.”

Overlooking that large obstacle, and assuming that the guv can be convinced and the Legislature votes a bond to buy yet more track and we voters pass it, the deed to MMA track in Maine will be relayed into the hands of MDOT. The FRA “will take a substantial haircut,” the old rail hand said.

As it did with the Aroostook County line of MMA, the department will put its newly-acquired property out to bid. Standing at MDOT's door for a copy of the RFP will be the two connecting railroads: NBSR and Pan Am. {editor}

PAN AM: TRAFFIC
1 November. PRESIDENT DAVID FINK WROTE OF GOOD NEWS AND BAD NEWS in his 'President's Message' for the 2013 Pan Am Clipper:

'As we approach the end of 2013, the Pan Am Railways team is reviewing the last ten months and the remainder of the year ahead.

'Our increased focus on customer service is paying dividends in new customers and some increases in
carloads for existing customers. The increase in Train and Engine Personnel has given us flexibility on new customer initiatives and we are looking at increasing our successful take or pay system.\(^1\)

'In June we welcomed Eimskip to Portland and have begun moving intermodal containers throughout the system. The Marketing Department is working on inbound products for movement to Atlantic Canada and Europe.

**Bad news on coal**

'While these new initiatives are helpful, we are continuing to see a fall-off in our coal business [for both PSNH in Bow, New Hampshire and FirstLight in Holyoke, Massachusetts – editor] and it does not look very promising for the future. The economy for the balance of the year remains somewhat uncertain with freight changes occurring on a monthly basis.

'We launched a new website that has received very positive feedback from our employees and customers. I would like to thank the team at Pan Am for producing this first class website.

'We continue to invest from Mattawamkeag to Mechanicville in all areas of the company, people, track and mechanical.'

**Travelling to Palm Beach?**

The newsletter contained this note: 'We pleased to announce the opening of 'Pan Am', our first fully-branded fashion accessories and apparel concept store in Coconut Grove, Florida. The concept is intended to not only celebrate Pan Am’s rich history in the air, but to promote our branded line of aviation and travel-inspired lifestyle and fashion accessories.'

\(^1\) In addition to the successes, Pan Am has offered take or pay to: MBRX as part of a new trackage rights agreement; to Peter Dearness to guarantee service to Concord; and to Cousineau's. None have accepted the offer.
On a somber note
Pan Am track workers in New Hampshire donated their time to assemble rails and ties (donated by the railway) to a Holocaust Memorial in Nashua. {Pan Am Clipper #1 2013}

PW: 3Q13 RESULTS*
14 November, Worcester. INCREASED STONE SHIPMENTS LED TO A CARLOAD INCREASE, and containers jumped, though per unit revenues for each sector dropped in 3Q13 versus 3Q12.

'Operating revenues increased $0.9 million, or 11.5%, to $8.7 million in the third quarter of 2013 from $7.8 million in the third quarter of 2012. The increase is the result of a $1.2 million (17.9%) increase in conventional freight revenues, a $75,000 (25.1%) increase in container freight revenues, and a $69,000 (37.3%) increase in other freight-related revenue, offset by a $454,000 (75.2%) decrease in other operating revenues.

Carloads up 21.1%, per car revenue down
'The increase in conventional freight revenues results from a 21.1% increase in conventional traffic volume, offset by a 3.6% decrease in the average revenue received per conventional carload. Conventional carloads increased by 1,710 to 9,800 in the third quarter of 2013 from 8,090 in the third quarter of 2012. The reason for the increase in conventional traffic is primarily due to increased stone shipments while the decrease in average revenue received per carload is due to a shift in the mix of carloads.

Containers up 27.1%, per box revenue down
'The increase in container freight revenues for the quarter is the result of a 27.1% increase in traffic volume, offset by a 1.5% decrease in the average revenue received per container. Container traffic volume increased by 1,111 to 5,211 in the third quarter of 2013 from 4,100 in the third quarter of 2012. Reasons for the increase in traffic volume and the decrease in the average revenue received per container during the third quarter are the same as for the nine-months period ended September 30, 2013, as previously discussed.

[From the nine-month discussion:] 'This increase in traffic results from improved economic conditions while the decrease in average revenue received per container is primarily due to a shift in the mix of containers.'

[From 13#08B: Charlie Rennick, PW spokesperson, explained the change in per unit revenue: '[T]he per container fee may be adjusted during the year and will vary depending on where a container originates. The adjustments are driven by cost indices.' {e-mail to ANR&P 30.Aug.13}]

Other freight-related revenues
In 3Q13 other freight-related revenues rose, while other operating revenues declined. From the nine-month discussion: 'The increase in other freight-related revenues results from the MBTA locomotive repairs performed by the Company while the decrease in other operating revenues is due to [fewer] maintenance department billings for services rendered to freight customers and other outside parties.'

Operating expenses level
'Operating expenses for the three-month period ended September 30, 2013 were $8.3 million, about the same as that for the three-month period ended September 30, 2012. The Company utilized $282 and $173 thousand of the track usage fee offsets obtained via the Amtrak Agreement in the third quarter of 2013 and 2012, respectively. Changes in operating expenses for the quarter are attributable mainly to increases in payroll related expense ($120 thousand), depreciation ($35 thousand), diesel fuel ($175 thousand), and purchased services ($102 thousand), offset in part by decreases in casualty expense ($145 thousand) and track and signal materials ($361 thousand).

'[T]he Company’s track usage fees were reduced by $282 thousand as a result of the utilization of a portion of the available mileage credit received under the Amtrak Agreement. The Company has $1,407 million of credit remaining to offset future mileage charges for use of Amtrak’s Northeast Corridor.'
Operating ratio
PW operations without the Amtrak and 'other capitalized and recovered costs' lost $357,000. With them, the railroad earned about $400,000 in the quarter. The company reported the operating ratio at 104.1%, versus 2Q13’s 116.9%. {10-Q report for 3Q13}

SLR: MONTREAL PASSENGER SERVICE?*
24 November. TWO PROPOSALS ARE CIRCULATING THROUGH NORTHERN NEW ENGLAND for passenger rail between Portland and Montreal:

Golden Eagle Railway Corporation
David Schwanke, president of the Golden Eagle Railway Corporation, proposes pendulum service: Portland to Montreal one day and back the next day. He would eventually like to do it four times a day.

Should he get SLR approval, he will seek space for a restoration facility and corporate headquarters.
The late New Hampshire Executive Councilor Ray Burton, a big supporter of passenger rail, was helping the company.

Sleeper service
Francois Rebello, a former provincial representative to the National Assembly of Quebec, and former Maine State Senate President Richard Bennett propose a night train on the same route, which would connect with Downeaster service to Boston. Rebello said he is hoping for a three-month pilot program next summer.

Track improvement dollars from the states
Proponents of both proposals have requested letters of support from local and state officials, as well as other groups, hoping the letters of support will help the railroads get money to upgrade the tracks. {Debra Thornblad in Manchester Union Leader 24.Nov.13}

More on Rebello's 'Hotel Train'
Nearly all the communities along the railroad line have signed letters of support for the project, which Rebello intends to use to encourage political support and investment for the enterprise.

Earlier this year, communities in western Maine and New Hampshire established the Androscoggin, Oxford and Coos County Corridor Committee to help promote passenger rail service through the region. In the past month, 10 communities along the corridor have signed letters of support for the hotel train. According to Western Maine Economic Development Council Director Glen Holmes, only Gilead Maine, and neighboring Shelburne New Hampshire, have yet to sign on to the project.

SLR is open
At a meeting in mid-November, Rebello announced a communication from SLR outlining the conditions, including liability and timing, necessary for passenger rail service.

“[SLR] didn't say 'no way,'” said Tony Donovan, president of the Maine Rail Transit Coalition. “That is really good news, because that means these companies that don't usually open their doors to passenger rail are opening their door to the hotel train. There's a momentum moving toward passenger rail and a lot of it has to do with people seeing the economic benefits of it.”

Rebello plans a 5 December lunch meeting and fundraiser in Montreal for those interested in the project. According to the Maine Rail Transit Coalition, 45 round-trips are planned in the first season, between June and mid-September, with round-trip ticket prices estimated at $400.

Rebello intends to fund his hotel train with private investment, which may allow him to establish service more quickly than a project dependent on public funding. {Peter McGuire in Lewiston Sun-Journal 22.Nov.13}
Effect on rail-trail?
The SLR filing to discontinue service between Auburn and Portland [see Maine] excited trail supporters attending a public round-table discussion in Yarmouth on 21 November about how area towns could work together to create a regional trail system from North Yarmouth to Falmouth. Mike Lydon, a consultant hired by the Portland Area Comprehensive Transportation System to help the towns plan for trails, said rail and trail can co-exist. “We wouldn’t want to preclude one or the other from happening,” he said. “We know they can happen together.”

Talk of a trail worries commuter rail advocates; it could complicate their efforts. “We need businesses and jobs in Maine. The highest and best use in this corridor is moving thousands of people,” said Donovan. {Tom Bell in Portland Press Herald 25.Nov.13}

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**QUEBEC**

**TRANSPORT CANADA: WEAK OVERSIGHT**

26 November, Ottawa. "SIGNIFICANT WEAKNESSES" IN TRANSPORT CANADA'S OVERSIGHT OF FEDERALLY REGULATED RAILWAYS were found by an audit completed at the end of June 2013, just days before the Lac Megantic disaster. Auditor General Michael Ferguson listed these:

- Transport Canada lacks information on which routes are used to transport dangerous goods.
- The department is not getting the internal risk assessments conducted by railway companies.
- Information on the condition of railway bridges is missing, as is financial information on privately owned railways.
- The department hasn't properly developed regulations to establish when a railway gets an operating certificate.

'The department did not take any enforcement action to require railways to maintain adequate and effective systems in place, even when inspectors identified deficiencies that could affect the safety of railway operations,' said the audit.

Ferguson's report found that only 14 safety audits of Canada's 31 federally regulated railways had been completed in the previous three years — just a quarter of the audits Transport Canada had expected to carry out. Eight of those 14 audits focused on CP and CN, leaving Canada's smaller operators largely unchecked. It will take years to audit all 31 federally regulated railways, says the report. Ottawa has just added responsibility for another 39 non-federal rail operators to its safety workload. {Canadian Press in globalpress.com 26.Nov.13}

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**CONNECTICUT**

**NEW LONDON: NO CONTAINER SHIPS?**

16 October, New London. THE QUESTION OF ADDITIONAL TRAFFIC FOR NEW LONDON WAS RAISED AT THE CONNECTICUT MARITIME COMMISSION. Larry Hemple of the New London Port Authority, in a presentation to the Connecticut Maritime Commission wondered, noting the post-Panamax vessels entering service, why container ships were not calling the State Pier. Or why barges were not delivering containers and other cargo.
Chair Joe Riccio advised that studies of Connecticut’s three deep-draft ports commissioned by the State over the years have shown the value of a feeder barge delivery service. However, the initial service required a subsidy that never materialized. Riccio stated that the Connecticut Port Authority, to come in 2014 [see 13#09B], could address the economic development of the ports including a feeder barge service.

Chuck Beck, who represents ConnDOT and serves as secretary, told the meeting that existing ports capable of accommodating post-Panamax vessels included Halifax, Boston, and Freeport Bahamas among others. He added that at one time the concept was to use the naturally-deep ports as hubs that would transfer cargo from the post-Panamax vessels to the current-sized ships.

### NEW LONDON STATE PIER
### SHIPPING REPORT 2013 – 1st Half
### 1 January to 30 June

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**TOTAL Q1 & Q2**

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**Convert State Pier to tourist attraction?**

Hemple stated that the New London area was economically depressed, and asked about converting the State Pier Facility into a tourist attraction much as Baltimore did with the Inner Harbor project as a catalyst to economic development. Beck advised that the current economic condition of New London had little to do with the status of the State Pier. He added that Baltimore’s Inner Harbor project did not convert any port terminal property into a tourist area. What occurred was that a rundown area of the waterfront that hosted bars, clubs and other related activities had been renovated into a tourist attraction area. {draft minutes of meeting}

**More on New London Port Authority**

In May 2010 the city re-booted the Authority. In its fourth meeting of 2013 the Authority approved a map delineating its boundaries, which cover commercial and publicly-owned property stretching from the city’s northern border with Waterford to Alewife Cove adjacent to Ocean Beach Park. {Stephen Chupaska in New London Day 22. July.13}

Ned Hammond, economic development coordinator for the City of New London, said on 25 October that the Authority has no jurisdiction over the state-owned Admiral Shear State Pier, and hence looked to the rest of the waterfront for its purview.

Nonetheless, both the City and the Authority look on the Pier as a vital interest, which led Hempel to his presentation, which he did not do on behalf of the Authority.
Ship calls
Hammond also provided running data on the ship calls, which show that currently only steel is arriving, under 100,000 tons for 2013. {ANR&P discussion 25.Oct.13 & 19.Nov.13}

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### MAINE

**NBSR: NEW MAINE CUSTOMER?**

12 November, Augusta. **THE FINANCE AUTHORITY OF MAINE AUTHORIZED $16 MILLION IN TAX CREDITS** for tissue-making at the Woodland Pulp mill. Three Qualified Community Development Entities propose investing in St. Croix Tissue, Inc., in Baileyville: a $4.5 million credit to CCM Community Development LVII, LLC (U.S. Bancorp Community Development Corp.); $8.1 million to Enhanced Capital New Market Development Fund XXXVII, LLC (Wells Fargo Community Investments Holdings, LLC); and $3.3 million to USBCDE Sub-CDE 90, LLC (U.S. Bancorp Community Development Corp.).

'St. Croix Tissue, Inc. operates the Woodland Pulp, LLC mill in Baileyville. The company will use the funds to expand and renovate a building at the mill complex and to install two new tissue-making machines. The funds are expected to help to create and retain more than 300 Maine jobs.' {FAME announcement 18.Nov.13}

On 2 December Scott Beal, Woodland Pulp spokesperson, wrote: 'We don’t have anything to discuss on our future plans. That may change going forward, but that is the position we are in at the present time.' {e-mail to ANR&P}

**PAN AM: STILL NO RAIL USE**

25 November, Lincoln. **THE HEAD OF LINCOLN PAPER AND TISSUE DOES NOT FAULT PAN AM** for his not using rail inbound or outbound. For some years [see 12#10B], this mill has trucked in and trucked out or used intermodal, with the exception of one chemical which arrives by rail.

The problem lies with “economics and service,” said Keith van Scotter. Rail is very capital intensive; trucking offers service and flexibility.

“We are a small producer. If we got really successful with rail, we would do 2-3 cars a day outbound, and a few more than that inbound. Anyone who thinks that rail is the solution to all transportation problems does not understand the nature of that business.”

**What if he had a different railroad?**

One rumor swirling around the sale of MMA [see Regional] indicates Pan Am would like to let go of the Old Town-Mattawamkeag stretch of the Freight Main. That would leave Lincoln without direct rail service. However, if NBSR picked up the segment from Lincoln to Mattawamkeag, about 13.5 miles, NBSR could
provide direct rail service.

Asked whether another rail provider would make a difference, Van Scotter said he did not know. He noted that Pan Am’s line to Lincoln is low-speed [10 miles per hour – see 13#10A Regional]. “We need to get to national line.”

**Compared to Madison Paper?**

Generally, said van Scotter, all of Maine suffers from “geography, infrastructure, and low population.” Compared to the Madison mill, which also now has no direct rail [see other story], Lincoln ships a lighter product to more locations over a wider area. Madison “is more suited to rail.” {ANR&P discussion}

**Energy market manipulation with Rumford Paper?**


**PAN AM: MORE TRAFFIC LOSS**

19 November, Rumford. *NEWPAGE WILL “INDEFINITELY” STOP OPERATION OF NO. 12 PAPER MACHINE AT ITS RUMFORD PAPER MILL BY MID-FEBRUARY.* Anthony Lyons, a mill spokesperson, said the operation will last until February “so we can satisfy current customer orders and so we can transition the [paper] from that machine onto other Rumford machines and throughout the NewPage system.”

No. 12, the oldest and smallest of the three machines at the mill, currently produces roughly 300 tons per day of coated paper [or over 100,000 tons per year – editor]; the mill totals 550,000 tons of coated paper per year.

The coated paper market is under pressure from falling demand and increasing imports from paper mills in western Europe, according to the company – not a new trend. “Magazine sales are dependent on advertising and there has been a decline in ad pages generally throughout the industry that has led to a decrease on the coated paper side,” Lyons said.

**No longer in bankruptcy**

NewPage filed for Chapter 11 bankruptcy in September 2012, emerging two months later, in December 2012 [see 12#12B]. {Whit Richardson in Bangor Daily News 19.Nov.13}

**PAN AM: MADISON REDUX**

The following five stories describe the impact of the Pan Am suspension of service to Madison and North Anson in September [see 13#09B].

**MADISON PAPER MILL**

19 November, Madison. *GENERAL MANAGER RUSS DRECHSEL DESCRIBED THE RAIL SITUATION FOR THE MADISON PAPER MILL,* jointly owned by UPM and the New York Times [see initial article 13#09B]. The initial problem lies with the track: half of the outbound trains derailed in a recent period, resulting in significant delays for customers of the paper. That led to a decline in traffic. However, Drechsel said, “regardless of the volume we ship over the track, the service does not improve.”

**What about inbound traffic?**

“We can still take lime and pulpwood in,” he added. When asked whether he would do that, Drechsel said, “If we could get it in a timely fashion. But we can't anything in or out in a timely fashion with the service by Pan
Am. If you wanted to wait a month for wood to come in....”

**Track rebuild?**

Drechsel noted that Pan Am itself had trucked ballast to Waterville from North Anson, rather that use the line [see 12#10B]. “They can't even provide their own service.”

Madison “is not going to rebuild the track,” Drechsel said. Asked whether he was satisfied with trucking to intermediate warehouses, he said the mill has “alternatives under discussion.” {ANR&P discussion}

Several derailments have occurred near Martin Stream. {e-mail to ANR&P 20.Nov.13}

**Truck dock**

The mill already paved over the rail spurs and converted to truck [see photo]. {ANR&P coverage}

**ARC ENTERPRISES**

19 November, Kingfield. **ARC ENTERPRISES IS SEVERELY AFFECTED BY THE LOSS OF THE NORTH ANSON STATION,** said Jake Kilbreth, owner.

ARC builds steel plate girders “mostly for the DOTs.” He uses his own truck to move the girders to locations in Maine, Massachusetts, New Hampshire, and Vermont.

He was receiving about 30 carloads a year in North Anson [see 13#11A TIRR]. Each carload requires five trucks, which now must travel to South Portland because Pan Am stopped serving North Anson.

**The sites for ARC**

Cousineau. Here ARC put significant dollars into creating a transload: it leased space, spent more than $10,000 levelling it with topsoil and gravel, and acquired two forklifts.

Each time a car arrived, ARC workers would drive to North Anson, unload the car, and store the steel onsite, fetching it as needed.

TIRR. When Pan Am stopped serving North Anson, ARC started working with TIRR [see 13#11A]. However, TIRR can provide the needed three acres of storage only for two weeks. ARC continues to use TIRR to unload the heavier steel.

Megquier and Jones. This company, located in South Portland along the same spur as TIRR, also manufactures structural steel.² Kilbreth said ARC and Megquier have worked together on several projects. ARC is now doing the majority of its transloading here because Megquier can provide the three acres. However, it cannot handle the heavier steel, so ARC uses TIRR for that.

**Transportation costs**

Accessing North Anson required only a fifteen-minute drive; South Portland takes two hours. The truck alone costs $1200 a day; ARC also sends an escort vehicle usually, as the plate can be 80 feet long. Plus, ARC must pay the transloader, as it cannot use its own workers.

**Still seeking a site**

Kilbreth reported that he is looking for a permanent transload site “that we can buy.” Auburn does not have enough space, and a site on SLR in, say, Bethel would require trucking nearly as far as South Portland. He is considering a site on one of the mill lines, possibly Peru. [But Newpage is closing one of its paper machines. See other article.] {ANR&P discussion 20.Nov.13}

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² On 26 February 2013, before ARC began using the facility, a Megquier official said it received fewer than 20 carloads a year. {ANR&P discussion}
22 November, North Anson. “PAN AM DID A GOOD JOB SERVING US, IT'S TOO BAD” SERVICE ENDED, said Brody Cousineau, vice-president. He explained his three sources of traffic totalling around 100 carloads a year:

**Plate steel for ARC**
According to ARC [see other article] this came to about 30 carloads a year.

**Plywood for local production**
Cousineau's operates a wood facility here. Two years ago, Hussey Seating in Berwick asked Cousineau's to manufacture bleacher seating. Hussey specializes in the steel for seating, and expansion had consumed available space for wood handling. Until the rail line shut down, Cousineau's was receiving a boxcar of plywood from Louisiana a week during the Hussey busy season from April to October, and half that the rest of the year.

When the rail service stopped, a boxcar was enroute. Pan Am spotted it in Waterville and asked Cousineau's to come get the plywood. The facility convinced Pan Am's Mike Bostwick that Pan Am had the responsibility to deliver the product.

“I'm please that they held up their end of the bargain,” said Cousineau. The railroad paid for cross-docking and trucking the plywood from Waterville to North Anson.

The facility is now looking for a transload to handle the plywood when it arrives from Louisiana.

**Kraft pulp**
Cousineau's also stored pulp for Sappi in Hinckley as inventory when the plant's wood room shut down for annual maintenance; it also stored pulp for the Madison mill. Cousineau estimated about 30 inbound carloads a year.
Pan Am ballast
When the rail was in good shape, Pan Am “sometimes moved 30 carloads a day of ballast” out of North Anson. In 2012 [see 12#10B] the railroad was trucking to Waterville and loading cars there; “seven miles versus 30 miles,” Cousineau pointed out.

Needed: 2000 carloads a year
Pan Am is willing to serve North Anson, said Cousineau, if he can provide 2000 carloads a year. He said that makes sense. The line needs work; Pan Am derailed one of his plywood boxcars over the summer.

Still, “it's too bad that it happened.” ARC and Cousineau's, as well as the state, “put in a bunch of money” to restart rail service. “Pan Am was nice to deal with, polite, and did a good job serving us.”

However, he reported that the Madison mill rebuilt its docks to handle trucks [see photo]; he was not optimistic that the mill would return to rail.

TOWN OF ANSON
19 November, North Anson. THE TOWN HAS THE RIGHT TO SEEK COMPENSATION for the value of

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3 The Pan Am Employee Timetable shows the Madison Branch at twenty miles to Madison, and the Anson Running Track at 5.32 miles (all 5mph). Given the 100 carloads per mile per year rule of thumb, Pan Am should ask for 2500 carloads. Editor
materials put into the track, said Bob Worthley, town administrative assistant. He wrote:

"The Town did have a contract with MCRR. The pertinent Section IV.A follows:

"MCRR agrees to use and maintain the improvements constructed as part of the project for the purpose of moving freight by rail for a period of ten (10) years after final acceptance of the project by MaineDOT.

"Anson and MaineDOT reserve the right to recover from MCRR or its successors the fair market value of all materials incorporated into the project in the event that MCRR fails to use the improvements for the purpose of moving rail freight for said ten (10) year period.

"Anson's and MaineDOT's rights, as described in this Section A, shall be limited to the actual value of the reimbursement paid by Anson to MCRR under this Agreement."

[The final acceptance took place either in 2006 when the project was finished, or 2007 when the first traffic ran. See 13#09B.]

'The Town had very little money in the project other than administrative costs associated with administering the grant. Therefore, I presume any recovered funds would go to the State.

'Since MDOT does not anticipate seeking any recovery, we do not choose to spend funds we don't have to attempt to recover funds we might never receive....The Town has not received any notice that service is being terminated.' {e-mail to ANR&P} 

MAINE DOT

21 November, Augusta. **MDOT HAS GOOD REASON NOT TO SEEK COMPENSATION** at this point, wrote Nate Moulton, rail administrator, though it has sought clawback.

'We have used clawback provisions most recently with the MMA on the abandonment and purchase of the Aroostook lines.

'We generally don't rush to clawback IRAP as there can be gaps in service due to pricing and economics. Examples are the Fort Fairfield sub where it was not served by MMA for a number of years, now Cavendish is there and being served.4

'Today there was a train to Grimmel's after not having a train for a year and a half.5 Every situation is unique and often economically different.'

Who should act?

Though the contract with Pan Am refers to 'MaineDOT', Moulton said: 'The Department's IRAP agreement was with the Town of Anson, therefore any legal action or clawback the Department could pursue would be with the Town.

'MaineDOT cannot pursue a breach of contract with any party (including Pan Am) that it does not have an agreement with' even though the contract names MDOT. 'As of this date we do not plan on pursuing a clawback from the Town.' {e-mail to ANR&P}

SLR: DISCONTINUANCE

27 November, DC. **THE STB WILL BEGIN AN EXEMPTION PROCEEDING** on the railroad's proposed ending of service between Auburn and Portland, with the one customer left B&M Baked Beans [see 13#11A], it stated.

'Because this is a discontinuance proceeding and not an abandonment, interim trail use/rail banking, and public use conditions are not appropriate. Similarly, no environmental or historic documentation is required under 49 C.F.R. §§ 1105.6(c)(2) and 1105.8(b).

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4 MDOT made an IRAP award to revive the Fort Fairfield branch in 2004 [see 04#04B]. Trains ran later that year [see 04#11A and 05#09A].
5 MDOT awarded an IRAP contract to rehab the line between Brunswick and Grimmel's in 2008 [see 08#07B] and the first gondolas arrived there in 2009 to pick up scrap [see 09#11B].
'Any offer of financial assistance (OFA) under 49 C.F.R. § 1152.27(b)(2) to subsidize continued rail service will be due no later than March 7, 2014, or 10 days after service of a decision granting the petition for exemption, whichever occurs sooner.' {STB website, decisions page, Docket No. AB 1117X}

**DOWNEAST SCENIC***
6 November, Waterville. *WATERVILLE WILL LET GO THE STEAM LOCOMOTIVE 470, TO EXCURSIONS IN ELLSWORTH.* The Council voted 3-3, with the mayor breaking the tie, to sell the engine to New England Steam, which wants to operate excursions on the Downeast Scenic Railway. The city would realize $25,000 and a promise to keep the locomotive, the last one to operate in passenger service on the Maine Central Railroad, within Maine.

President Richard Glueck wants to raise $1.5 to $1.75 million for the operation. {Waterville Sentinel 19.Nov.13}

Support from Ellsworth
Tom Testa, the head of the not-for-profit Downeast Rail Heritage Preservation Trust, Inc., operators of the Downeast Scenic Railroad, wrote: '[W]e have been presented with an opportunity from New England Steam that is in keeping with our mission to celebrate and preserve the railroad history of Maine for the education, enlightenment and enjoyment of future generations.

'To that end we look forward to working with New England Steam and their undertaking of the restoration of the 470, a truly important part of Maine's railroading heritage.' {e-mail to ANR&P 20.Nov.13}

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**MASSACHUSETTS**

**CSXT/MBTA: PASSENGER KNOCKS OUT FREIGHT?**
22 November, South Boston. *THE T IS CONSIDERING TAKING BY EMINENT DOMAIN PROPERTY TO SUPPORT SERVICE EXPANSION PLANS AT SOUTH STATION.* The same property is already under contract to Celtic Recycling, which will convert an Amercold warehouse to a C&D facility.

A decision by the T is expected in the spring. If it took the property for a layover facility, it would pay the fair market value, approximate $11.1 million according to the Boston Assessing Department.

The T’s plans would throw Celtic's plan into chaos. “This whole MBTA thing is a real headache,” explained Susie Chin, the company’s CEO and founder. “It jeopardizes a technologically advanced recycling facility; it jeopardizes the 100 jobs we’d create.”

Current use: cold storage
Amercold currently operates a 260,000SF storage facility with 13 truck doors and six car spots, served by CSXT. {Amercold website} The company was the last customer on the Bemis Branch in Watertown, once served by Pan Am [see 00#23]. It moved to the Widett Circle location by 2004 [see 04#07B].

According to Celtic's filing with the state, Amercold receives one to four cars a week:

Celtic Recycling, LLC. is proposing to renovate the existing, approximately 55,000 square foot Amercold cold storage warehouse building located at 100 Widett Circle in South Boston, Mass., into a material recycling facility (MRF).

The approximately 4.75 acre site is bound solely by industrial uses, including the Massachusetts Bay Transportation Authority land to the north, south, and east and by the Boston Transportation Department tow yard and the Amtrak train washing facility to the west. All vehicular access is currently provided on Widett Circle.

The site is covered by a building, paved and gravel parking areas, a railroad spur, and minimal unpaved areas. The site has adequate area to allow tractor trailers to easily maneuver and access the two loading dock areas. One is along the southern end of the building, which has 13 bays and the other is along the northern end of the building and has nine bays.

The northern and southern ends of the site are generally used for tractor trailer and container storage. There is also an on-site active rail spur serviced through CSX that is currently used to receive approximately one to four rail deliveries weekly. This site currently employs approximately forty employees and generally operates Monday through...
Friday 9:00 AM to 5:00 PM with work occasionally occurring on Saturdays.

**Future: C&D recycling**

The site, located across the tracks and some distance from the dense neighborhood of South Boston, may house a state-of-the-art recycling facility for Celtic Recycling which signed a 75-year lease for the space. Celtic would send out three to eight cars a day:

The Project proposes to renovate the existing approximately 55,000 SF building and convert it into a LEED-accredited material recycling facility. The facility will process up to 1,500 tons per day of construction and demolition debris (C&D) and single stream recycling. Inbound material will be received by truck with the maximum trucks per day being approximately 150 (1500 tons of material/10-ton trucks), equating to 8 to 9 trucks per hour, once the MRF reaches its peak operating capacity.

Processed and consolidated recyclables will be loaded under cover and shipped to outlets by truck and/or rail cars ... At peak capacity, approximately 65% (975 tons) of recyclable materials will be removed from the site by 49 trucks (975 tons of material/20-ton trucks) with 35% (525 tons) being removed by rail. The rail cars will carry non-recyclable residuals to an Ohio landfill using three to eight rail cars per day. The facility is immediately accessible to Interstate Highway I-93, with all immediate routing along frontage roads and the industrial area of Widett Circle. No accessing or exiting truck traffic will go through residential areas. (Massachusetts Department of Environmental Protection website, MEPA documents page, 2013 filing, document 15070)

**No layover!**

Politicians and residents are sounding off about the T’s plans. Although not everyone in the neighborhood was supportive of Celtic Recycling moving into the industrial area, some said a train layover yard is much worse.

*South Boston. The proposed Celtic Recycling facility would use the Americold building just below the blue dot. The alternative, an MBTA layover yard, would use the entire space within the Widett Circle road. Note the distance between Americold and residences. (ANR&P)*
“The South Boston delegation and the community has no information that says this [layover yard] will be a good thing for the community,” explained State Representative Nick Collins. “I think it would be best if they looked at other facilities.”

The T has run into environmental problems in the past and in 2010 was cited by the EPA for violations at its other train yard in the South Boston area. “It’s not going to happen, they need to find somewhere else to put it,” said U.S. Representative Stephen Lynch. “The idea of having a layover yard was one that was suggested many years ago and it was opposed by all the local community groups.”

**MBTA argues pro-environment**

‘In addition to the anticipated reduction in fuel consumption via miles traveled, the proposed Cold Storage layover yard will be designed with sufficient electric powered plug-in stations to avoid idling of locomotives during layover times, in accordance with state-of-the-industry practice and the U.S. EPA settlement with the MBTA and Massachusetts Bay Commuter Railroad Company,’ said documents provided by the T.

“It [the T’s proposal] came out of the blue,” said State Senator Linda Dorcena Forry. “We need to understand what is going to happen at the space and make sure the community has input about it.” She and her South Boston colleagues have concerns about the property, yet acknowledge the need for a facility somewhere.

“This is a balancing act. Transportation is a real issue, but we need to take a comprehensive approach. We need to see the other locations proposed and make sure they [the T] did their due diligence,” said Forry.

City Councilor Bill Linehan’s office said that the area’s elected officials have been working to bring the T out to talk to the community. “We still hold the position that we’d still like to see Celtic there, provided the proper community process. We’ve met with MassDOT and they let us know about their intentions, but our message was clear: there needs to be a community process.”

A community meeting is expected to be organized for early December to allow residents a chance to provide input on the T’s plans. {Patrick Rosso in Boston.com 22.Nov.13}

**Comment about NIMBYs**

‘The location is in the middle of the balloon track, used for turning trains around....[I]t's completed surrounded by tracks that are in use. This particular area has been used for servicing trains since before the US Civil War. That's over 160 continuous years, and now the "nearby" residents are complaining? And what about the 8-lane I-93 right next door? And what about Amtrak's Southampton Street Maintenance Facility right there? The whole area is heavy industrial and the trains are already there. The idea that the "community" (who can't even see or hear the trains over the drone of the rubber tires on the highway) can kibosh this is asinine.’ {'Parker Hill Paul' posting in comment section 22.Nov.13}

**MC: NO NEW CUSTOMER**

25 November, Freetown. **RAIL IS NOT IN CURRENT PLANS FOR A RECYCLING FACILITY HERE**, at the former Weyerhaeuser distribution facility on Campanelli Drive. {Jeffrey D. Wagner in Fall River Herald 24.Nov.13} Weyerhaeuser used rail as did the outfit which bought in December 2007: Wood Structures [see 08#01A]. Wood Structures went bankrupt and closed in 2009 [see 09#03B].

The new owner, Republic Services, is proceeding through permitting with the town shepherded by Republic's area environmental coordinator, Chris October, who said the company had no current plans for rail. {ANR&P discussion 25.Nov.13}

**Rail available**

Chris Podgurski, MC president wrote this day: 'I have spoken with Republic and they did not have any current plans for use of the railroad. As I’m sure you are aware, there is a great connection there that is suitable for some on-site storage of cars etc and several hundred feet of siding within the facility that is surrounded by paving that leads to the dock-height doors.' {e-mail to ANR&P}
PAN AM: DOUBLE-STACK CLEARANCE

22 November, Boston. **MASSDOT IS SEEKING $3 MILLION IN PRELIMINARY ENGINEERING TO CREATE FULL DOUBLE-STACK CLEARANCE** on the Pan Am Southern Patriot Corridor between Ayer and Mechanicville. Responses to MassDOT were due this day. 

In 2012, FRA awarded $2 million; NS is providing $1 million [see 12#03A].

The Commonwealth of Massachusetts, acting through the Massachusetts Department of Transportation (MassDOT), requests responses from qualified consultants to conduct environmental review, preliminary engineering, and other professional services for The Patriot Corridor Double-Stack Clearance Initiative Project. The Patriot Corridor Project is intended to remove, modify, or mitigate vertical clearance obstructions at nineteen (19) locations along the Pan Am Southern LLC rail line between Mechanicville, New York and Ayer, Massachusetts. The goal is to enable the unrestricted operation of double-stacked "domestic" containers by providing a clearance of 21'-0" above-top-of-rail. A pre-proposal meeting will be conducted at 1:00 PM on Wednesday, October 16, 2013 in the Conference Room at the MassDOT Office of Transportation Planning, 10 Park Plaza, Room 4150, Boston, Massachusetts.

NEW HAMPSHIRE

NHDOT/MBRX: WHO FILED?

21 November, Concord. **MBRX FILED A PROPOSAL WITH NHDOT** responding to the RFP for operation on the Hillsboro Branch [see 13#11A]. Pan Am Executive Vice-president Cyndi Scarano, asked whether Pan Am did, responded on 26 November: 'At this time we will decline comment because the question relates to a pending government proceeding. As you are also aware, we do not comment on rate discussions with actual or potential customers.' {e-mail to ANR&P}

An e-mail to Ed Jeffrey, NHCR principal, was not returned by publication time.

Serve the sole customer?

John MacLellan, chief at Granite State Concrete, 'had calls from several (including PAR). No one was willing to give him a rate or level of service.' {e-mail to ANR&P from Leishman 22.Nov.13}

PAN AM: PROPANE FACILITY TROUBLE++

18 November, Newington. **THE PLANNING BOARD WILL HIRE A RAIL SAFETY EXPERT** and take other steps before deciding on the application of Sea-3 to reconfigure its terminal at 190 Shattuck Way to accommodate rail shipments of liquefied petroleum gas for export [see 13#09A]. After a public hearing this evening, the board voted to accept Sea-3's preliminary application as substantially complete, paving the way for the approval process to move forward. The board voted unanimously that the application is of regional concern and that towns that would be affected should be notified.

“We haven't made a nickel in two years”

Paul Bogan, Sea-3 vice president of operations, said the price drop on propane required a rail terminal. "The difference in the price essentially put us out of business. We haven't made a nickel in two years. This is one way we're looking to take advantage of the domestic market.”

Export terminal

The terminal would off-load railed-in propane to three new ambient temperature storage tanks. A series of chillers would then reduce the temperature for storing in two existing on-site refrigerated storage tanks with a combined capacity of 21 million gallons, Bogan said. Some of the propane delivered by rail would be pumped directly to trucks that would distribute the product locally, while the rest would remain in storage until shipped
overseas by freighter four to six times annually, he said.

**Unloading racks**

Sea-3 currently has three existing unloading racks; it plans to add three immediately, so it could unload 12 cars a day. It would also create two unloading spots in anticipation of future expansion.

**Rail access: daily trains?**

Part of the board's discussion focussed on the increased rail traffic and the safety of the Pam Am Railways tracks that carry the freight. In questioning the condition of the tracks, Chair Denis Hebert cited the limitation that trains travel at no faster than 10 miles per hour.6

Cynthia Scarano, Pan Am executive vice-president, explained: “You don't build a four-lane highway until you need a four-lane highway. In this circumstance, we don't find that we need it any faster than it is.”

Paul Sanderson, a member of the Greenland Planning Board, said the rail line crosses over 10 public roadways in that town, and only two of those locations have active protection in the form of signals and lights. Others have nothing but a stop sign, and two don't even have that.

Sanderson said the railroad crosses through several neighborhoods and the increase in traffic would likely affect residents. “We have not been used to daily train operations for many, many years.” “Pretty likely,” Greenland will initiate NHDOT proceedings to improve protection at crossings.534

**Safety**

Hebert cited fear among locals that the propane storage tanks are a “big bomb waiting to go off.” Bogan said explosions rarely occur, usually because of a lack of cooling. He described an elaborate on-site sprinkler system that would spray water to keep the tanks cool in case of a fire. The rail cars, meanwhile, are insulated to protect against any explosion.

**Hire rail safety expert**

After discussing the expansion plans, the board voted to hire two independent experts on fire and rail safety to examine the project, at Sea-3’s expense. Bogan indicated he would be ready to return before the board next month. {Joey Cresta in seacoastonline 18.Nov 13}

**SOME PROGRESS**

25 November, Newington. **SEA-3 RECEIVED THREE VARIANCES** from the Zoning Board of Adjustment. One resolved the lack of frontage; two allowed pipes within the setback area. Sea-3 is expected back at the Planning Board 9 December. {Joey Cresta in seacoastonline 26.Nov 13}

**RHODE ISLAND**

**PW: CUSTOMER BACK!***

25 November, East Providence. **KEN FOLEY HAS REVIVED THIS CONSTRUCTION AND DEMOLITION SITE**, and it will use rail. A license permitting the processing of 1,500 tons a day at Pond View [see 03#02B] has remained in legal limbo since the business went into receivership and closed in 2012 [see 13#09A]. The Rhode Island Department of Environmental Management has approved the handling of 50 tons a day at the Rumford site. “We’re up and running,” said Kenneth Foley, owner of the property and president of the newly- named Railside Environmental Services. “We are happy to be in business.”

The debris from the previous operation of TLA Pondview was removed, totalling 100 carloads. Foley, who owned the property, restarted a metal recycling business [see 13#09A]. The C&D is different.

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6 According to the Pan Am Employee Timetable, the Portsmouth Branch, from the Freight Main in Newfields to Portsmouth, is 25 miles per hour. From Portsmouth to Newington is called the 'Newington Industrial Track' and is limited to 10 miles per hour. An October Speed Restriction Summary shows none.
“Between TLA and all of the bad press, let’s move on,” he said in mid-November of the new name. “We are a rail-served facility. Our waste goes out to Ohio to a licensed landfill.” But nothing is moving now. “It’s a very slow time of the year. Hopefully by spring, we’ll get up to that 50 tons a day.”

Licensing
Residents want to intervene in the case in Superior Court over the 1,500-ton license, to ensure that the DEM follows through on its stated intent of terminating the license. The receiver argues that he has the right to sell and transfer it.

While that license remains in limbo, Foley said he sought permission from the DEM to process less than 50 tons a day. Under that threshold, a construction and demolition waste business need not obtain a license. Instead, the DEM requires these businesses to complete a 'registration' process that still requires compliance with environmental regulations. DEM issued that registration 23 October.

As for the 1,500-ton license, he said, “It’s still in litigation. We are hoping to one day have access to it, but it may not be.” He said he has offered to construct a building and run the business mostly indoors. “We don’t have to make a deal, but I still want to be a good neighbor,” he said. “We are keeping all of our options open right now.”

Rail use
Clyde Ames, who helped Foley start Pond View [see 03#04A], has returned to work with Foley as vice-president. Ames said on 25 November “we are in start-up mode, concentrating on growing the business,” which will include not only roll-off, but site excavation to feed the recycling business. On this day, “we are grinding wood” which will go to a power plant in Plainfield, alas not on rail.

“We will use rail as much as possible. We are looking at a couple of sites and negotiating now.” He noted that he worked for PW as marketing manager for intermodal over 19 years, leaving in the late 1990s.

{ANR&P discussion 25.Nov.13; Richard Salit (quoting Foley) in Providence Journal 23.Nov.13}

MARITIMES

CN: IRVING OIL PLUS
29 November, Lake Louise, Alberta. MANY REFINERIES IN EUROPE, INDIA AND SOUTH AMERICA ARE EASIER TO REACH FROM CANAPORT, Irving's maritime oil terminal, than from the U.S. Gulf Coast, said Paul Browning, Irving Oil CEO, at the Bennett Jones Lake Louise World Cup Business Forum. Irving plans export capacity in Saint John [see 13#08A Regional].

"If you want to ship crude to China and East Asia you want to ship it off the west coast of Canada, but if you want to ship crude to India, Europe, Africa, South America, you want to come east.”

In particular, Canaport is the closest in North America to the world's largest refinery, Reliance Industries Limited's Jamnagar complex on the west coast of India; and the closest to Repsol SA's 900,000 barrels per day refinery in Spain. He did not say whether any agreement had been made to supply either company with crude. "At Canaport we have a marine terminal with ice free water that's 128 feet deep, making it capable of unloading the largest crude vessels in the world year round." {Reuters}

Loading terminal in Alberta
Browning also reported that Irving Oil has committed to take the entire capacity of a Kinder Morgan Energy Partners - Keyera Corporation rail loading terminal in Alberta. “It has a capacity of 27,000 barrels per day and it is going to be increasing to 40,000. We are under contract for all of that.”

[In July, the partners announced the 'Alberta Crude Terminal' in Edmonton with 20 loading spots, served by both CP and CN, will become operational in 2Q14. Keyera will pay $65 million, and Kinder Morgan $33 million. {Canadian Press in Financial Post 31.July.13}]

[The chart below shows a price differential of $20/barrel, justifying more rail. Editor]
Gulf sources
He said Irving can already offload 145,000 barrels per day from rail cars at its Saint John offloading terminal. And it is using foreign-flagged vessels to import mid-continent crudes from the Gulf Coast.

Irving accounts for 80% of Canada’s exports of petroleum products and 20% of United States imports. {Rebecca Penty in Bloomberg Business News 29.Nov.13; Dan Healing in Calgary Herald 29.Nov.13}

CN: CUSTOMER RELOCATES++
25 November, Dartmouth. ALPHA CHEMICAL IS INSTALLING A NEW OFFLOADING OPERATION IN THE BURNSIDE INDUSTRIAL PARK.

History
Alpha began with a pilot plant in Burnside\(^7\), and then moved to Bedford in 2004 [see 08#11A with map]. By 2012, according to a rail observer, it had moved back to Burnside. {e-mail to ANR&P 24.May.12}

Eric Efford, president, explained that he “liked the [Bedford] location and spent a few million dollars there,” but Dexter Construction [one of the largest construction firms east of Montreal and part of the Municipal Group of Companies], wanted the acreage for itself [see below].

Return to Burnside
He opted to return to Burnside, the largest industrial park east of Montreal and the nucleus of companies serving the offshore extraction industry. “A lot of new buildings have gone up in the last two years, anticipating the Irving shipbuilding contract, the Shell project, and Encana with its Sable project.

“The park is the best location for rail service especially. And rail is the conduit from our suppliers to our

\(^7\) The plant was located at 60 Raddall Avenue, according to a filing with Nova Scotia Environment in 2003; it planned to use Burnside Recycling at 66 Simmonds Drive for railcar offloading (but had to go elsewhere) and the Fleetway warehouse at 12 Borden Avenue for storage to transload chemicals. {Environment file # 10700-40 40100-34-92}
customers.’

Alpha bought a five-acre piece of property on Pettipas Drive formerly used by Armour Transport, and started operations at another, temporary location. With environmental approvals and engineering in hand, Efford proceeded to renovate the 26,000SF building. In the next 12 months, he will “erect a tank farm and put in a blending facility” and add 10,000SF to the building.

**Rail operation**

As Armour had no rail, he is currently offloading at 191 Joseph Zatzman Drive two minutes away, with a temporary tank farm.

CN and Scotia Rail [see below] are building the spur. Its two tracks will hold eight cars; between the tracks Alpha will build a “common racking system” to offload the contents and move them into between 10 and 15 tanks.

At this point, Alpha receives 125 to 150 carloads a year. When it finishes the new facility in October 2014, Efford said the facility can do twice that.

**Offering**

Efford reported the company has reached its 20th year, serving the mining, offshore, and water treatment industries. “We do more than transload and blend, we offer engineering services” which will create a turnkey solution to deliver product onsite.

Raw material arrives by railcar or ship, originating in India, England, China, or North American points. {ANR&P discussion}

**More on Scotia Rail**

Tom Harpell, president of Scotia Rail of Sydney, noted that his company started the same year as Alpha, 1993 [see 06#02A *Regional*]. He continues to do work all over the Maritimes. Scotia recently completed trackwork at Halifax Pier 9C as a subcontractor to Dexter. Prior to that Scotia did work for VIA Rail in Halifax, and rebuilt a wye track in Sydney for CBNS. {ANR&P discussion 2.Dec.13}
DEXTER CONSTRUCTION ASPHALT

In 2012, as Efford noted, Dexter completed redeveloping the space in Bedford formerly occupied by Alpha as an asphalt plant. By May 2012 three tank cars arrived. On one day, the new switchback off one of the two asphalt tracks had hoppers and side dump cars on it for ballast and rip rap. [e-mail from Geoff Doane 24.May.12]

HALIFAX: MOVE HALTERM?*

20 November. **A PROPOSED RELOCATION OF HALTERM WOULD ‘ONLY LINE THE POCKETS OF A HANDFUL OF PROPERTY DEVELOPERS** while stealing from the pockets of ordinary Haligonians in particular and Nova Scotians in general,’ wrote Ashley Dinning, Halterm managing director, in a press release. Dinning reacted to Bob Mussett, who on 19 November in a breakfast speech to a large gathering of real estate and affiliated professionals in Halifax proposed a relocation of the port’s South End container terminal operated by Halterm, and building of housing on the freed-up 100 acres. This would help Halifax reach its goal of adding 25,000 people to the Halifax peninsula over the next twenty years.

Dinning continued: 'To say a new terminal could be built to replace what’s torn down is ludicrous. Any economist will tell you that someone has to pay for major projects such as proposed by Mr. Mussett. The cost of relocation would have to, in some respects, be passed on to the shipping companies who in return would bypass Halifax altogether or charge their customers more, which reflects in higher prices and less competitive exports.” [release 20.Nov.13]

Do another study?

Mussett, senior vice-president CBRE Atlantic, noted: “Well, if you build a brand new port in Melford [not yet built - editor], surely to God you can build a brand-new one in Halifax.” He offered no alternate site for Halterm, but called for a study. [Andrew Macdonald in allNovaScotia.com 20.Nov. 13]

Halterm Port Corporation considered a new container terminal for Rockingham shore in Bedford Basin in 1999 as part of its bid to become a hub port for Maersk and Sealand. [See 99#02 to 99#07.]

In 1999, Halterm considered a new terminal at Bear Head in the Strait of Canso. [See 99#1.]

HPA view

The Halifax Port Authority said in 2012 in response to relocation suggestions that the cargo terminals are on federal land and the HPA, along with the private sector, manage those assets. 'The Halifax Port Authority, terminal operators and the rest of the port community have no interest in doing anything other than continuing the existing strategy of developing what we currently have. The Halifax Gateway Council, CN, labour unions, warehouse operators, trucking companies and many others in the supply chain have urged us to stick to our plan. We are focused on continued investment in our existing port facilities.' [Letter to the Editor by former HPA Board chair Mark MacDonald and HPA President and CEO Karen Oldfield 9.Mar.12]

International Longshoreman's Association responds

Local 269 President Kevin Piper said Mussett isn’t thinking long term. “These guys [real estate agents] are only looking at their bottom line. They are looking at only what they can do to fill their pockets. They don’t look at the big picture.

“Halterm is perfectly located within a few miles of the entrance to the Atlantic Ocean, no air draft issues, no bridges and deep water. It’s an ideal location for a container terminal and an ideal location, I guess, for somebody who wants to build high-end condos. But what do you do after the initial job surge of construction is over?”

An alternative location at the Shearwater Canadian Forces Base across the harbour has wind issues in the channel between the land and McNab’s Island, and minimal rail service. [Discussion with ANR&P correspondent Tom Peters 20.Nov. 13]
CN declined to comment. {Mark Hallman in e-mail to Peters 19.Nov.13}

**SYDNEY-DONKIN: MINE DEAD?**

20 November, Donkin. **XSTRATA WILL FLOOD THE MINE AWAITING A SALE.** Xstrata and partner Morien Resources have worked since 2005 to re-open a coal mine here [see 05#12B], and won environmental clearance in 2013 [see 13#07B]. Xstrata, which is now Glencore Xstrata since Glencore acquired it in May, is still trying to sell its 75% share to Morien. Three announcements occurred this day:

- Morien stated in a news release that it has a potential customer for Donkin coal but first needs to acquire the Glencore Xstrata stake in the underground mine before it can turn a letter of intent with the unnamed client into a firm contract.

- At the same time, Morien announced it has a memorandum of understanding with an operating partner that will create a joint-venture agreement to develop and operate the Donkin project, but that also depends on Glencore Xstrata selling its stake. Finding a potential customer and a joint-venture partner to operate the mine were precursors to Morien submitting a purchase offer to Glencore Xstrata on 4 November.

- This evening at a public meeting on the fate of the mine, Val Istomin, business development manager said the company plans to start removing equipment from the mine and stop pumping surface water that seeps into the operation. Merely to keep the water out costs $3 million a year; when Xstrata or Morien finds a buyer, it can just pump the water out again. “We're going to shut the site down, withdraw all the equipment and put temporary seals across the tunnels, ready for a new operator to come in.”

  Morien's release stated that it is confident Xstrata will not damage the Donkin project, given the advanced level of negotiations between the parties. 'Although there is no guarantee the current negotiations will end in a transaction, Morien management believes [Xstrata] shares its desire to see the project developed for the benefit of all stakeholders.'

**Morien response**

John Budreski, president of Morien said of the shutdown: “That's something we'd prefer not to have happen, but it's an inconvenience to us and no more than that.” His company is determined to find partners to come up with the tens of millions of dollars to take over the project.

“I think this is a great project. We have a mine that's ready to go. We have tunnels down to the coal face; we have permitting for both the short term and the long term. We have a place that's ready for wealth generation in the community; there's a labour pool we can access. I think it's a perfect project to go.” {Roger Taylor in Halifax Chronicle Herald 22.Nov.13; CBC news 21.Nov.13}

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**RAIL FREIGHT FACILITIES**

Described in this issue.
Alpha Chemical (CN, Nova Scotia) Relocation.
Americold (CSXT, Massachusetts) Replaced by Celtic?
B&M Baked Beans (SLR, Maine) Rail gone?
Celtic Recycling (CSXT, Massachusetts) Replacing Americold?
Cousineau (Pan Am, Maine) Rail not returning?
Irving Oil (CN & CP, Alberta) New tar sands terminal.
Lincoln Paper (Pan Am, Maine) Virtually no rail.
Madison paper (Pan Am, Maine) Rail not returning?
Railside Environmental (PW, Rhode Island) Foley back.
Republic recycling (MC, Massachusetts) No rail.
Sea-3 (Pan Am, New Hampshire) Export propane.
Woodland Pulp (NB&M, Maine) Tissue machines coming.