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

**REGIONAL**

NECR v PAS: VRS supports PAS, saying its customers are suffering lengthy delays.*
NECR v PAS: PAS responds to NECR reply, asking for quick action by STB.*

South Portland crude: Other routes for export?

Maine crude: No crude by rail, only pipeline.

Crude oil update: box on Irving ships, maps.*

Albany-Saint John: *Afrodite* still haulng crude.*

**NEW YORK**

NYA: Future waste transload? Dollar figures for Island Rail, Rail Solutions, and Sunny Farms.*
NYA: LIRR now permits 286,000-pound cars.
NYA: Wheel Spur update.*

**QUÉBEC**

MMA asset sale: The Sûreté halts the sale of the lead locomotive on the disaster train.*

**CONNECTICUT**

NECR: TIGER grant?* 

PW: Losing Fusion Paperboard.

**MAINE**

NB&M: Chinese railcars still looking at Maine.*

Pan Am: Fired carman takes case to federal court.*

**MASSACHUSETTS**

MassDOT-HRRC: STB process started.*

Pan Am: Revived customer Newark America.*

Pan Am: Seeks Ayer $$ for 20th century spills.*


Bets?

CMQ's John Giles predicts that in January 2016 he will restart crude movements. Others say either that Lac Megantic will stop it, or that existing alternate routes will suffice. I'm betting on CMQ. Anyone want to take the other side?

- Chop Hardenbergh Next formal issue 20 August
NECR v PAS: VRS SUPPORTS PAN AM SOUTHERN*

22 July, DC. **TWO VRS RAILROADS, WACR AND GMRC, SUPPORTED THE PAS MOTION TO SHOW CAUSE** [see 14#07A] in a filing this day at the STB by Eric Benson, VRS attorney.

'VRS supports and echoes PAS in its assertion that the sole purpose of the PAS Motion is to address the unilateral Operating Restrictions imposed by NECR since May 2014 in violation of the very TO [Trackage-rights Order] that NECR seeks to enforce. The Operating Restrictions have significantly impacted service to VRS customers and will to continue to do so. Therefore VRS joins PAS' request that the Board expedite consideration of this motion in advance of any procedural schedule requested by NECR in its filing.'

VRS noted that PAS had kept VRS abreast of the negotiations on the trackage rights fee, and their failure. 'In violation of the spirit and letter of the TO rather than appeal to the Board, NECR instead elected to engage in "self-help" by imposing the Operating Restrictions on PAS that have directly impacted the VRS....

'VRS is now forced to deal with lengthy delays in the delivery of its customer's freight and the associated costs of rerouting traffic and or utilizing intermodal means to serve its customers.'

**Affect on Riverside propane**

'GMRC has recently developed a large intermodal terminal in Bellows Falls, Vermont. GMRC delivers loaded cars to this facility that are received from Pan Am at GMRC's interchange point with PAS at Bellows Falls, VT. These cars are handled by PAS from Deerfield, MA to Bellows Falls, VT in PAS line-haul service, in PAS trains, operating under trackage rights over the NECR line from Brattleboro, VT to Bellows Falls.

'Since September of 2013 and prior to the NECR bulletin, PAS was operating at speeds of 40 mph and GMRC customers had no issues receiving service or cars at the Bellows Falls facility. The new NECR bulletin seeks to limit all foreign trains on NECR tracks to 25 mph as distinguished to its own trains that will continue to operate at 40 mph as well as impose the anti-competitive and unlawful requirement of disclosing to a third party VRS waybills....

**Effect on another customer**

'The transportation delay of certain commodities is a very serious issue given the shortages that these industries experienced in our region this past winter. NECR waybills requirements and its new speed restrictions on just foreign carriers will further limit rail transportation of important commodities at a time when the industry and end consumers need them the most.

'One such VRS customer has two facilities, one at Claremont and the other at Bellows Falls, which together total enough product being shipped annually to the Northeast market to represent approximately 40% of the entire Vermont and New Hampshire market for that commodity.' {STB site, filings page, Finance Docket No. 35842}

NECR v PAS: PAS REPLY*

23 July, DC. **PAN AM SOUTHERN CALLED ON THE STB TO RESOLVE THE DISPUTES IMMEDIATELY, AND IGNORE NECR PROCEDURAL OBJECTIONS**, in its response this day to NECR's reply [see 14#07A]:

**NECR avoiding substance**

'PAS notes that NECR is merely avoiding the substance of the Motion, and desires to continue to adversely impact PAS, customers and connecting carriers by maintaining the Operating Restrictions for as long as possible.
'Leaving aside NECR's transparent efforts, PAS believes that it is in the interest of all parties to resolve the issues raised by [the PAS] Motion with the least amount of delay. Therefore, pursuant to 49C.F.R. § 1112.7, PAS respectfully requests the Board to take notice of the Motion filed in the current docket in Finance Docket Number 31250, which is the original docket number for the TO proceeding.

[The two Docket Numbers. NECR filed the first paper under Finance Docket Number 31250, seeking an increase in track fees as permitted by the Trackage-rights Order (TO). PAS filed under a new Finance Docket Number 35842, seeking a halt to NECR illegal practices under the TO. Why PAS did not file under 31250 is unclear. Editor]‘This way, the Motion could be addressed within the context of the TO, removing NECR's procedural objections and allowing the Board to determine whether NECR should show cause as to why its unilateral behavior is in compliance with the TO.

Set procedural schedule
‘PAS renews its request that the Board: (i) set a procedural schedule to decide the substantive issues raised in the Motion; and (ii) hold in abeyance NECR's request for a procedural schedule to set trackage rights terms until the issues related to NECR's compliance with the existing terms of the TO are settled, whether that be in this docket or within the context of Finance Docket 31250. PAS believes that this proposal is the most expeditious method available to address issues that have been ongoing since May, to the detriment of not only PAS, but its customers and connecting carriers as well.' {STB website, filings page, Finance Docket No. 35842}

SOUTH PORTLAND: A MEANINGLESS MEASURE?
28 July. SECURITIES ANALYSTS DISMISSED THE SIGNIFICANCE OF THE SOUTH PORTLAND CRUDE BAN, seeing other routes to get the oil to the East coast. [Note: The newsletter InsideClimate News, like all other media except this newsletter, believes this ordinance bans only tar sands crude via pipeline, when in fact it bans the handling of all outbound crude. See 14#07A.]

"It is a hollow victory, almost meaningless," said David McColl, an analyst who focuses on oil sands and pipelines for the investment research company Morningstar. But "We see [the ban] as a huge setback for the oil industry," said Lisa Pohlmann, executive director of the Natural Resources Council of Maine.

One of the reasons analysts are unfazed by the ban is that the Montreal-Portland line's capacity (600,000 barrels per day, though currently only 150,000 barrels is moving) is smaller than other proposed routes for tar sands, and once the oil reached the port, it would have to be shipped to refineries elsewhere. For the relatively small amount of oil, that extra step makes the line less attractive even if it could be used, McColl said.

Alberta oil has other East coast options for the Alberta oil, including the proposed Energy East line to Saint John with a 1.1 million barrels per day capacity [see 13#08B and transcanada.com].

Demand is too high for the oil to stay landlocked, said Phil Flynn, an oil analyst with Price Futures Group. “You plug up one export option, another will open up somewhere else....One thing we've learned in the last couple of years is you can move oil by rail very, very quickly,” said Tom Kloza, an oil analyst at GasBuddy.com, in an interview on NPR. “The crude's going to come from the oil sands to the United States and other points.” {Katherine Bagley in InsideClimate News 28.July.14}

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1Sandy Field of RBN Energy writes: 'Irving support for pipeline to Saint John is likely more to do with the potential revenue that they can make from a new deep-water port at Canaport that would be associated with the pipeline. Assume $1-2/barrel terminal cost from pipeline to barge and a pipeline shipping as much as 1.1 million barrels per day and you have some pretty good revenue. And the pipeline might not all be heavy crude. There is light crude in Western Canada and they could have an on-ramp in Saskatchewan that brings in Bakken light shale crude. ‘But the main benefit of the pipeline is the export of heavy crude - maybe only as far as the US Gulf but also to Europe.’ {e-mail to ANR&P 29.July.14}
CRUDE: MOVEMENT THROUGH MAINE

31 July, Augusta. **NO RAILING OF CRUDE WAS REPORTED FOR JUNE** to the state Department of Environmental Protection:

<table>
<thead>
<tr>
<th>All Crude</th>
<th>Reg #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Pipe</td>
<td>306</td>
</tr>
<tr>
<td>Pan Am</td>
<td>903</td>
</tr>
<tr>
<td>MMA</td>
<td>914</td>
</tr>
</tbody>
</table>

**Total Crude: 52,772,324**

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**Barrels of Crude by Month through Maine**

<table>
<thead>
<tr>
<th>All Crude</th>
<th>Reg #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jan-14</td>
</tr>
<tr>
<td>Portland Pip</td>
<td>306</td>
</tr>
<tr>
<td>Maine Centr</td>
<td>903</td>
</tr>
<tr>
<td>Montreal, M</td>
<td>914</td>
</tr>
<tr>
<td>Central Main</td>
<td>919</td>
</tr>
</tbody>
</table>

Source: Reports by railroads and pipelines paying per-barrel fee to Maine Department of Environmental Protection.

*In early March 20 loads of crude were spotted in Maine – see 14#02B. In early April, 16 loads of crude were spotted on NBSR – see 14#04A.

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CRUDE OIL: UPDATE*

28 July, Austin. *IRVING IS THE LARGEST OF NINE REFINERIES IN EASTERN CANADA WITH COMBINED CAPACITY OF ABOUT 1.3 MILLION BARRELS PER DAY* [see table of refineries]. Eastern refineries are not configured to process heavy Western crude; they use light crude supplied from a mixture of offshore Atlantic seaboard production, imports from international suppliers and, increasingly, imports of light crude from the US.

Offshore eastern Canadian production averaged 240,000 barrels per day in 2013 [thus barely enough for Irving] and East coast refiners processed about 47%, mostly light sweet crude. Eastern refiners have also traditionally processed imports from the Atlantic basin, particularly light crudes from West Africa.

Imports of US crude into Canada, primarily to eastern Canadian refineries, reached a record 268,000 barrels per day in April 2014, double the level a year earlier, according to the Energy Information Administration. Eastern refineries fit into three regions:

**Atlantic Canada**

This has two refineries, North Atlantic refinery in Newfoundland, and Irving in Saint John. Both are primarily fed by waterborne imports [see box].

US crudes appeal to the two refineries because they cost less than either Canadian production or imports from the North Sea or West Africa. Cargoes of US crude have been delivered to the Irving refinery from the South Texas Eagle Ford basin. Neither refinery has any pipeline supply but the Irving refinery has increased its supply of imported crude from the US that is delivered by rail (the refinery has an 80,000 barrels/day rail unload facility) and receives about 27,500 barrels from Albany. In addition, it receives about 2 million barrels a week from overseas sources [see box].

To get its needed 320,000 barrels a day, or 2.24 million barrels a week, Irving needs 240,000 barrels more a week, which it can do via Albany or by CN direct rail.

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*By CN.

3 Fielden relies on a Canadian National Energy Board report issued March 2014 stating 40,000 barrels a day by barge. However, local Port of Albany Director Rich Hendrick reports that Irving uses the *Afrodite*, capacity 220,000 barrels, calling about every eight days, or an average 27,500 barrels a day. See other article.
SAINT JOHN TANKER CALLS FOR EARLY AUGUST [see similar table 14#04A]

<table>
<thead>
<tr>
<th>Ship</th>
<th>ETA</th>
<th>Cargo activity (last position or destination)</th>
<th>DWT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karavas</td>
<td>30 July</td>
<td>crude from foreign ports (off Florida)</td>
<td>107505</td>
</tr>
<tr>
<td>Nor’Easter</td>
<td>30 July</td>
<td>petroleum for foreign ports</td>
<td></td>
</tr>
<tr>
<td>Afrodite</td>
<td>30 July</td>
<td>crude from Albany (Albany)</td>
<td>53082</td>
</tr>
<tr>
<td>Max Jacob</td>
<td>31 July</td>
<td>crude from foreign ports (off Portugal)</td>
<td>157449</td>
</tr>
<tr>
<td>Great Eastern</td>
<td>31 July</td>
<td>petroleum for foreign ports</td>
<td></td>
</tr>
<tr>
<td>New England</td>
<td>2 August</td>
<td>petroleum for foreign ports</td>
<td></td>
</tr>
<tr>
<td>Mare Siculum</td>
<td>3 August</td>
<td>crude from foreign ports (off Africa)</td>
<td>158466</td>
</tr>
<tr>
<td>Spike</td>
<td>4 August</td>
<td>crude from foreign ports (off Florida)</td>
<td>115897</td>
</tr>
<tr>
<td>Acadian</td>
<td>5 August</td>
<td>petroleum for Charlottetown</td>
<td>37515</td>
</tr>
<tr>
<td>Silver Express</td>
<td>5 August</td>
<td>petroleum for foreign ports</td>
<td></td>
</tr>
<tr>
<td>SN Claudia</td>
<td>6 August</td>
<td>crude from foreign ports (off Texas)</td>
<td>109010</td>
</tr>
<tr>
<td>Royal</td>
<td>7 August</td>
<td>crude from foreign ports (off Gibraltar)</td>
<td>156597</td>
</tr>
<tr>
<td>Penn 92</td>
<td>12 August</td>
<td>petroleum for foreign ports</td>
<td></td>
</tr>
<tr>
<td>Romantic</td>
<td>25 August</td>
<td>crude from foreign ports</td>
<td></td>
</tr>
</tbody>
</table>

**Total from overseas** for week 30 July-5 August: 2.1 million barrels. (540,318DWT = roughly 300,00 tonnes *7 barrels/tonne)  
**Sources:** list of ship calls from Port Saint John website 29.July.14; location and DWT (dead-weight tons) from marinetraffic.com.

**IRVING OFF-SHORE SOURCING**

To receive off-shore domestic oil, Irving often charters foreign vessels. It must obtain permission to do so from the Canadian Transportation Agency [see table of some 2013 activity in 13#08B], which provides a window into this Irving lane:

**Norwegian tanker**

‘Irving Oil applied, through its representative, for a licence to use the SKS Satilla, a Norwegian tanker, to transport approximately 710,000 barrels of crude oil, in one voyage, from Whiffen Head, Newfoundland and Labrador to Halifax and/or Point Tupper, Nova Scotia and/or Canaport, Saint John, New Brunswick and/or Portland, Maine, United States of America via pipeline to Montréal, Quebec, commencing on or about June 30 and ending on or about July 29, 2014.’

CTA found that no Canadian ship was available, and issued the licence for Irving. {Decision No. 247-W-2014 27.June.14}

**Tug and barge**

‘Irving Oil applied, through its representative, for a licence to use the “PENN NO. 92”, an American tank barge, to work with the tug Coho, to store and/or transport approximately 82,000 barrels of hot asphalt, in one voyage, from Saint John, New Brunswick to Montréal, Quebec and/or various ports in Nova Scotia and/or various ports in Newfoundland and Labrador, commencing on or about June 13 and ending on or about July 12, 2014.

CTA found that no Canadian ship was available, and issued the licence for Irving. {Decision No. 221-W-2014 10.June.14}

**IRVING FOREIGN SOURCES OF OIL**

As a sampler, see box of ships due in to Canaport.
Province of Quebec
Quebec has two refineries. Both can receive crude by tankers from the Atlantic seaboard via the St. Lawrence River. Using this route, tankers carry up to 350,000 barrels of imported or offshore Canadian crude as well as US crudes such as South Texas Eagle Ford and Louisiana light sweet.

Suncor 137,000 barrels/day Montreal refinery. The [150,000 barrels per day current movement – see other article] Portland to Montreal pipeline also serves Suncor. Until recently, the Enbridge Line 9 pipeline shipped crude west from Montreal towards Sarnia in Ontario. Enbridge is reversing Line 9 to flow crude east to Montreal.

In the absence of pipeline access from the west, Suncor has built a 35,000 barrels per day rail-unloading facility which receives light synthetic crude delivered from Suncor’s upgrader in Edmonton.

Valero 265 barrels/day Jean-Gaulin refinery in Lévis. Valero built a unit train rail unloading facility to receive up to 60,000 barrels per day of US shale crude.

Ontario
The province has five refineries: four in and around Sarnia and one at Nanticoke on the shore of Lake Erie, with combined capacity of 475,000 barrels/day. Traditionally they receive primarily light crude, via pipelines from Montreal in the east and from Alberta to the west. {"Take a Pipe On The East Side? - New Crude Transport Options To Eastern Canada", Sandy Fielden in RBN Energy 28.July.14}

ALBANY-SAINT JOHN*
29 July, Albany. THE SHIP AFRODITE MOVING CRUDE FROM ALBANY TO SAINT JOHN CONTINUES ON A CONSISTENT EIGHT-DAY ROTATION [see 13#12B]. "The second ship [see 13#09B] has not joined the rotation and we have not received any further information on this,' wrote Albany Port District Commission Director Rich Hendrick. {e-mail to ANR&P}
NYA: FUTURE WASTE TRANSLOAD?*

22 July. BOTH OMNI AND EASTERN RESOURCE ARE WORKING ON A WASTE TERMINAL FOR EASTERN LONG ISLAND. In remarks about the temporary facility expected to operate this week, Omni Recycling’s Michael White said his company might do it [see 14#07A], and on this day Dominic Testa, general manager of Eastern Resource Recycling, said he was also ‘working on it.’ {e-mails to ANR&P}

Why not Island Rail Terminal?
Eastern’s owner John Maggio also owned Island Rail Terminal\(^4\) in Brentwood [see aerial in 14#07A], which burned in October 2013. It took over the facility from Emjay Environmental Recycling, Limited in 2012, closed after the fire, and was sued (as was the guarantor of the contract, Vincent Maggio Senior\(^5\)) by Sunny Farms, the landfill it was using on 10 July 2014 [see box].

Pricing
While Island Rail itself will not open a new terminal, the lawsuit provides the contracts between the Sunny Farms landfill and Rail Solutions, and between Rail Solutions and Island Rail [reproduced here]. They show that Island Rail was paying $2350 for the use of a gondola, the movement of the car to Ohio, and the acceptance of the baled waste. Simple mathematics shows that Island Rail might have moved about 50 cars a week. Editor

Why no one else?
Why has no other entity opened a waste transload, given the obvious market for it? James Bonner, NYA marketing and sales director, wrote: ‘Rail logistics, disposal arrangements, and permitting process each present a challenge. It takes a very active and dedicated party to tackle all three in one fell swoop.’

Michael White of Omni considered the Island Rail site: ‘We understand that given the recent history of the facility, it will be challenging to once again get all approval necessary for the old Emjay / Island site.’ {e-mails to

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\(^5\) Also a principal, per the lawsuit Sunny Farms v Island Rail Terminal, 2:14-cv-4250, federal court Eastern District of New York.
ANR&P 21.July.14

Rail Solutions is no longer in position to help. Following the death of principal Ted Vozzella III in 2013, his father, Vozzella II, still owns Rail Solutions but is winding the business down, according to Ted III's sister. {ANR&P discussion 23.July.14}

NYA: 286*

15 August, Long Island. LIRR HAS AGREED THAT NYA MAY RUN 286,000-POUND CARS, said James Bonner, sales and marketing director for NYA. The change from 263,000-pound cars will require no track or bridge work.

NYA President Paul Victor thanked the LIRR for its focus on continuous upgrades within their network to
Victor reported that the 'language in our agreement is identical to CSXT’S agreement with MNRR and AMTK. Basically, if we elect to run unit trains of over 60 286K cars we need to obtain a waiver from the LIRR engineering department.' {e-mails to ANR&P 25.July.14}

Shore Line already 286
PW Vice-president of Marketing Frank Rogers said in April that if PW's own lines could carry 286, it could run the heavier cars into New York because the Amtrak's Shore Line through Connecticut is rated at 286 [see 14#05A].

Once PW can access Fresh Pond with 286, NYA can then deliver aggregate cars with the heavier weight.

PW General Counsel Charlie Rennick wrote on 28 July: 'Obtaining clearance to run 286k rail cars on LIRR is a significant achievement and certainly helps pave the way for further business development. As noted in April, we continue to work diligently towards achieving the same capacity on all of our lines, connections, etc. which would better serve this market.' {e-mail to ANR&P}
NYA: WHEEL SPUR UPDATE*
15 July, Queens. **THE THREE CUSTOMERS WILL MOVE INTO THE NEW WHEEL SPUR YARD BY DECEMBER**, said James Bonner, NYA sales and marketing director: New Yung Wah Trading, Healthy Brand Foods, and Wiener, Crowley & St. John Lumber. Because of the Metropolitan Transit Authority project to add LIRR access to Grand Central Terminal in Manhattan, LIRR will close the Arch Street Yard; it has turned the Wheel Spur Yard over to NYA, and funded the construction of terminals for two customers as well as a team track [see map and 2013 photos in 13#09B].

Bonner expected Wheel Spur will be ready for the move in August, but noted that “Healthy Brand has an extensive relocation process, and may not finalize transfer of all operations until December.” {ANR&P guided tour}

QUEBEC

MMA: DISASTER LOCOMOTIVE SALE?*
23 July, Montreal. **THE QUEBEC SURETE WILL INTERVENE IN THE SALE OF MMA LOCOMOTIVES** to ensure the lead locomotive on the disaster train, #5017, will remain available for investigation. “The only thing I can confirm to you in this file is that Sûreté [du Quebec] investigators have taken steps to block the sale of the locomotive for the duration of the judicial process,” said Sergeant Christine Coulombe, who declined to provide any further details.

Adam Jokisch, the auctioneer for St.Louis-based Adam's Auctions, said the locomotive will go under the hammer on 5 August in Milo, Maine, until an official tells him otherwise. A spokesman for MMA's secured creditor, the Maine-based Bangor Savings Bank, told The Canadian Press earlier this week that it "double" and "triple" checked to make sure authorities no longer needed the unit and that they had permission to auction it off.

A piece of history
Jokisch expects more spectators than usual. “It is unique and obviously this locomotive's got some history to it. It's definitely not a good piece of history, that's for sure. . . I don't think I'd want to be reminded about that horrible accident.”

In all, the auction will feature 25 locomotives from the MMA fleet and seven units of parent company Rail World Inc. The cash generated by the auction will help pay back the $3.7 million owed to the Bangor Savings Bank. Yellow Light Breen, an executive vice-president with the bank, said any extra money from the sale will pay off the insolvent railway's other debts. Breen said the bank also expects to recoup some money from MMA through an upcoming real-estate sale.

Breen declined to estimate how much the machines would generate at the auction, but said the bank hopes the sale brings in several million dollars. {Andy Blatchford in Canadian Press 23.July.14}
CONNETICUT

PW: LOSING CUSTOMER

24 July, Sprague. *Fusion Paperboard Will Close 22 September*. In a statement released this day, the company said: 'The paper mill has been a manufacturer of recycled boxboard since the 1960s, withstanding many changes in the paper industry and operating in increasingly difficult market conditions. Despite recent efforts, the operation can no longer be sustained.' {Miranda Zhang and Mara Lee in Hartford Courant 24 July 14}

History

In 2006, Cascades bought the Versailles and the Kentucky plants from Caraustar [see 06#04B]. In 2011, Cascades sold the plants to OpenGate Capital, which operated them as Fusion Paperboard [see 11#10B].

Shuttering of Kentucky plant

In 2013 Fusion Paperboard shut down its converting operation in Hebron Kentucky. 'After a two year-long effort to improve the profitability of this Operation site, it has been determined that the business is no longer sustainable.' {Fusion press release 2 July 13}

Future rail? Railcar manufacturer?

Fusion had about 300 cars inbound a year, reported PW spokesperson Charlie Rennick. {e-mail to ANR&P 4 Aug 14}

Cathy Austin, Sprague first selectwoman, said on 28 July that she had received 10 to 12 e-mails expressing interest in the property. On 25 July, one mentioned particularly railcar manufacturing, because of the size of the plant, the height of the doors, and the rail access.

She forwarded all e-mails to OpenGate. She added that the property has 600 acres straddling the Town of Sprague and the Town of Lisbon. {ANR&P discussion}

NECR: TIGER GRANT EFFORT

26 July, Connecticut. *Another Story On The Need For Better Track In Connecticut* illustrated the effort of NECR to make the line capable for 286,000-pound railcars, up from the current 263. {AP in Worcester Telegram & Gazette 26 July 14}

ConnDOT backing

Judd Everhardt, ConnDOT spokesperson, wrote on 28 July: 'New England Central Railroad has applied for a $10 million TIGER grant to upgrade the so-called Palmer Line, from New London, CT to Palmer, MA. This would be on top of the $3.5 million the DOT has already committed for improvements....

'The TIGER awards are expected to be announced in August.' {e-mail to ANR&P}

2013 funding

In 2013 [see 13#05B] ConnDOT's Rail Freight Infrastructure Program awarded NECR $3.58 million to upgrade to 286; NECR would be matched with $1.5 million.

The language of the grant appeared to state that the $5 million total would suffice to make the entire NECR stretch through Connecticut 2986. Requests for clarification about the extent of the RFIP-funded upgrade versus the TIGER grant were not returned by publication time. Editor

2014 TIGER grant application

Connecticut as its only TIGER grant request in the Vlth round is backing the NECR's request for $8.3 million; NECR will provide a $2.1 million. The railroad wants to upgrade about 15 miles of mainline track, replacing 15,400 ties and installing new ballast. These improvements would also increase the railroad’s maximum track
speed from 10-15 miles per hour to 25-40 miles per hour. Municipal and business leaders in southeastern Connecticut communities are also optimistic these proposed rail upgrades may introduce passenger service in the future. {Progressive Railroading e-news 29.July.14}

Other Connecticut lines
Rian Nemeroff of NRRC reports his line is entirely 286. {e-mail to ANR&P 28.July.14}

MAINE

NB&M: RRIF LOANS SLOW
10 June, DC. AN INSPECTOR GENERAL REPORT FOUND THE FRA WOEFULLY SLOW AT PROCESSING RRIF LOANS. The writers said: 'We also met with FRA officials, and reviewed processing data for the 29 applications that the program received between January 1, 2010, and April 30, 2013. To identify factors that influenced applicants’ decisions on whether to apply to RRIF (Railroad Rehabilitation and Improvement Fund), we randomly selected and interviewed 15 applicants and 7 prospective applicants.'

EMRY loans still outstanding; Brookhaven's withdrawn
Of the 29 applications received, 23 came from short line and regional railroads, two from the Atlantic Northeast: EMRY (a subsidiary of NB&M) and Brookhaven Rail Terminal. (Brookhaven Terminal Holding LLC). Also, the USDOT Office of Inspector General (OIG) interviewed NNEPRA as a prospective applicant.

EMRY’s two applications were still pending at the conclusion of the OIG coverage on 31 December 2014, having sat at the FRA for 579 and 761 days, respectively. Brookhaven’s after 764 days was withdrawn.

Overall results in brief: 'not effective'
'FRA’s policies and procedures for evaluating RRIF applications and selecting RRIF loan recipients are not effective. Insufficient guidance on the program’s eligibility criteria, application procedures and requirements has frequently led to incomplete applications, causing substantial delays.

'Of the 29 applications we reviewed, 9 are still pending. For the remaining 20, FRA took an average of 278 days working with applicants to complete their applications. Ultimately, however, the Agency determined that only 6 of these applications were complete.

'Under RRIF’s authorizing statute, FRA has 90 days to review and render decisions on completed applications. However, the Department of Transportation’s (DOT) Credit Council and the Office of Management and Budget (OMB) must also review complete applications before the Administrator approves the loan and the loan terms are finalized.

'Because of these sequential reviews, FRA rendered decisions for only 2 of the 6 complete applications within the statutory 90 days. Furthermore, because the program does not use a risk-based approach to review applications for loans under $1 billion, processing times for low risk applications can be lengthy.

'Insufficient guidance has discouraged some applicants and program costs have deterred others from applying for RRIF loans. Of the 15 applicants we spoke with, 3 stated that FRA took months to inform them that their applications were incomplete. Ultimately, one of these applicants withdrew their applications.

'Applicants also reported that FRA did not provide requested information about their applications’ status, or explain the reasons for denials.

Larger railroads eschew applying
'Officials from passenger and Class I freight railroads informed us that they generally would not consider applying to the program because RRIF’s unclear process and uncertain timeline outweighed the financial benefits of RRIF loans.

'Most of these officials noted that private financial markets gave them better control than the RRIF program over the planning, timing, and execution of their capital projects. Officials from some short-line
railroad noted that payment of the required credit risk premium (CRP) prior to loan disbursement and the potential costs of hiring financial and legal consultants to assist with the application process deterred them from applying.

The FRA concurred with the OIG’s five recommendations to speed the process. {‘Process Inefficiencies and Costs Discourage Participation in FRA’s RRIF program’ Federal Railroad Administration Report Number: CR-2014-054 Date Issued: June 10, 2014}

**NB&M: NEW CUSTOMER UPDATE***

3 July, Limestone. **THE CHINESE RAILCAR MANUFACTURER DID NOT COMMIT** during the June visit to China by the governor's working party in June, according to Carl Flora, president and CEO of the Loring Development Authority. The company, Norinco, remains interested in manufacturing cars for the North America [see 14#06A], despite the distance to major North American markets.

Flora pointed out that parts and raw materials can arrive by ship in Searsport and move by rail to Loring. He noted that the rail line to Limestone needed work, though. {ANR&P discussion}

**PAN AM: “APPEAL” OF HUMAN RIGHTS DECISION***


In February, the Maine Human Rights Commission by a 2-2 vote found no reasonable grounds to conclude Pan Am had discriminated, despite a staffer's recommendation to find grounds. On 24 June, EEOC issued a letter adopting the findings of the Maine Human Rights Commission.

Having exhausted his chance at a remedy in administrative proceedings, Crockett filed for reinstatement, back pay and benefits, compensatory damages for loss of enjoyment of life, punitive damages, and attorneys’ fees. {court website, case #1:14-cv-00302}

Crockett's attorney, Jeffrey Neil Young of Augusta, wrote: 'The findings of the MHRC and EEOC are not dispositive and generally are not admissible in court. In this case, an investigator ruled in my client’s favor. The Commission has 5 members, but one was absent on the day a vote was taken whether to accept or reject the report; under the Commission’s rules, ties go in favor of the employer. The EEOC by rote adopts the state agency’s finding.

'….I am confident that my client will prevail.' {e-mail to ANR&P 28.July.14}

**MASSACHUSETTS**

**HRRC: ABANDONMENT STARTED***

25 July, DC. **HRRC BEGAN THE PROCESS OF ABANDONING THE COLTSVILLE TERMINAL TRACK**, 1.91 miles in Pittsfield, by filing a draft 'Combined Environmental and Historic Report' with the STB.

Specifically, HRRC affiliate Coltsville Terminal Company, which owns the track, will abandon it so that Pittsfield may construct a trail; HRRC will discontinue service over the line. Since 2002, HRRC served only one customer on the Coltsville track, and that only until 2008.

The draft report anticipated no environmental or historic impacts. {STB filings page, AB-733X (HRRC) and AB-1121X (Coltsville)}

**PAN AM: REVIVED CUSTOMER***

24 July, West Fitchburg. **NEWARK AMERICA HAS ITS FIRST CAR OF FINISHED PRODUCT LOADED**, said Frank Provost, a company spokesperson, the first rail car since he started working there in 2002. {ANR&P discussion}
Company and product
Newark was founded in 1912; it later became the Newark Group, and then in 2013 Newark Recycled Paperboard Solutions. Newark is a network of vertically integrated 100% recycled paperboard business units: Newark Recovery and Recycling, Newark Paperboard Mills, and Newark Converted Products. Newark Recovery and Recycling supplies the company with all the recovered paper used in Newark's domestic paperboard mills, which in turn, supplies nearly all of the needs of Newark's converting operations.

In the Atlantic Northeast, Newark operates a recovery facility in Salem, Massachusetts (no longer using rail), the West Fitchburg paperboard mill, and Chicopee Paperboard (no rail). {company website}

Spur off main
The alignment has existed since at least the early 1990s, reported one observer, and had service a few years later. But by 2005 service had ceased. Rail observers reported work on the roughly 2000-foot spur occurring in May, and posting of “active track” signs by 22 July. {Railroad.net Newark America topic}

The spur comes off nearly opposite the site for the new Omnova spur [see 14#02B].

PAN AM: HISTORY BITES*
25 July, Ayer. THE TOWN OF AYER IS IMMERSED IN AN ENVIRONMENT LAWSUIT BROUGHT BY THE UNITED STATES, filed in Massachusetts federal court in January against Boston and Maine Corporation (B&M). Though it had nothing to do with the historic contamination occurring in the first half of the 20th century, Pan Am as the successor to the Boston and Maine Railroad is liable under federal statute.

The start: 1911-1935
According to the complaint, the railroad (then the Boston and Maine Railroad) operated a roundhouse in Ayer. [Under the]

9607(a) and 9613(g)(2), and 28 U.S.C. § 2201, the United States seeks to recover unreimbursed response costs the Army has incurred and will incur for response activities undertaken in connection with the release or threatened release of hazardous substances into the environment from, and/or at the area encompassing, a former railroad roundhouse ("Roundhouse") owned and/or operated by the Boston and Maine Corporation (B&M) and portions of the adjacent Plow Shop Pond where hazardous substances from the operation of the Roundhouse have come to be located (collectively "the Site").

B&M used the Roundhouse, inter alia, for locomotive maintenance and repair. B&M disposed of wastes
associated with those operations, including antimony, copper, lead, and polycyclic aromatic hydrocarbons, by dumping them at the north end of its property along the shoreline of Plow Shop Pond... [See map.] {paragraph 9}

**The successors**
In 1942 the US Army bought the six-acre parcel containing the roundhouse. 'Until the early 1990s, the Army had neither actual knowledge nor constructive knowledge of the presence of hazardous substances in the soil at the Site or the sediments at the Site beneath the surface water of Plow Shop Pond. {12}

'On or about November 21, 1989, the United States Environmental Protection Agency ("EPA") placed the Fort Devens Military Installation, encompassing the Site and other areas of contamination, on CERCLA’s National Priority List ("NPL") of Superfund sites. On or about November 15, 1991, the Army and EPA entered into a Federal Facilities Agreement...{13}

'The Army has incurred at least $1,600,000 in response to the release or threatened release of hazardous substances at and/or from the Site.' {14}

**Town of Ayer responsible?**
In April, Pan Am [I use the name to refer to B&M, a subsidiary of Pan Am – editor] brought in the Town of Ayer as a third-party defendant, arguing that Ayer owned Plow Shop Pond and the adjacent Grove Pond.

The Pan Am complaint stated in part: 'Water from Grove Pond flows through a stone arch culvert into Plow Shop Pond....Hazardous substances in Grove Pond, including antimony, copper, lead, and PAHs, have been disposed of at, and/or have migrated to or otherwise come to be located in, Plow Shop Pond....

'Ayer has owned and/or operated certain real property located on the north shore of Grove Pond, and the Town formerly used that real property as an open dump for a variety of wastes, including hazardous substances.
'From approximately 1854 to 1961, the northwest shore of Grove Pond housed a tannery. Before 1953, the tannery discharged wastewater containing hazardous substances, including arsenic, chromium, lead, and mercury, into Grove Pond with little or no treatment. In an attempt to stop such discharges into the Pond, in April 1953 the tannery was allegedly connected to the local wastewater treatment system.' {paragraphs 16-19} {filings from court website in case 1:13-cv-10087-IT; Amelia Pak-Harvey in Ayer Public Spirit 25 July 14}

**PW: INTERMODAL**

31 July, Jacksonville. **CSXT ANNOUNCED A NEW GATE TIME FOR ITS CHICAGO TO WORCESTER INTERNATIONAL SERVICE.** 'Traffic originating from the CSXT-served facility at Chicago 59th Street to Stackbridge, MA, has a gate cut-off at 1200.' {CSXT announcement}

'Stackbridge' denotes the PW-served, Intransit Container Incorporated-served, terminal in Worcester which handles intermodal boxes in international service. *Editor*

**Interesting note**

In 2Q14, according to the 4 August report by the Intermodal Association of North America, international containers increased 9.6%, far above trailers at 4.3% and domestic containers at 7.6%. “The second quarter results were indicative of a rebounding economy and higher than predicted import shipments,” said Joni Casey, president and CEO of IANA. “It is also probable the harsh winter that resulted in constricted Q1 capacity contributed to the second quarter’s strong growth, by comparison.” {Intermodal Market Trends & Statistics report}

**PW: NO SIGN OF NEW CUSTOMER**

16 July, Worcester. **THE NEW RAILCAR MANUFACTURING FACILITY HERE HAS NOT APPEARED.** In February [see 14#03B], Vertex Rail Manufacturing announced it would begin manufacturing railcars here – possibly at 150 Blackstone Drive [see photo].

E-mails and calls to Dan Bigda, a Vertex principal, to Vertex itself, and to the broker of the property were not returned by publication time. {ANR&P coverage}

**Others need to build**

In 2Q14, the Trinity Rail Group reported record revenues of $895.6 million and a record operating profit of $176.0 million, resulting in increases compared to the second quarter of 2013 of 34% and 63%, respectively. The Rail Group shipped 7,160 railcars and received orders for 9,880 railcars during the second quarter. The Rail Group backlog increased to a record $5.5 billion at June 30, 2014, representing a record 45,350 railcars, compared to a backlog of $5.2 billion as of March 31, 2014, representing 42,630 railcars. {Trinity website, earnings announcement, 30 July 14}
**VERMONT**

**CMQ: VERMONT UPDATE**

22 July, Newport. BOLD ITALICCMQ MADE TWO TRIPS HERE LAST WEEK, AND WILL MAKE TWO TRIPS THIS WEEK, which were coordinated with shippers, explained CMQ President John Giles [see 14#07A].

'Track work begins in Quebec soon and we'll need to work around that. 10 mph not a good way to railroad.' {e-mail to **ANR&P**}

**MARITIMES**

**HALIFAX: WOOD PELLET EXPORTS**

9 July, Halifax. BOLD ITALICHALIFAX GRAIN ELEVATOR WILL INVEST UP TO $1 MILLION IN ATLANTIC BIOMASS, and receive up to 20% ownership in Atlantic Biomass. Viridis Energy, which owns the biomass company, announced the deal. Halifax Grain, unlike most pellet storage facilities, allows for different grades of pellets to be stored.

"The Province of Nova Scotia is an ideal location for Viridis to continue its expansion on the East Coast, given our valued relationship with Halifax Grain and the Port of Halifax, an advantageous shipping route to the rapidly growing market in Europe," said Viridis CEO Christopher Robertson. "Naturally, forming a strategic relationship with one of our principle operators at a key east-bound port is fundamental to our tactical growth strategy." {Viridis release 9.July.14}

**Second ship**

Atlantic Biomass stores wood pellets at Halifax Grain Elevator facilities pending export to Europe. A first shipment moved February [see 14#01B]. A second shipment departed 19 July. {Lane Farguson of Halifax Port Authority in discussion with **ANR&P** correspondent Tom Peters 21.July.14}

**HALIFAX: CONTINUED DECLINE**

21 July. **WHILE CONTAINERS CONTINUED DOWN, THE PORT SAW AN IMPROVING TREND.** Port Authority statistics shows containerized tonnage dropped 2.2% in 2Q14 compared to 2Q13; TEUs dropped 3% to 108,326 from 111,712 in 2Q13.

The port’s Lane Farguson said even though there was a container cargo decline, the situation has improved over 1Q14 [see 14#05B]. ‘We are seeing a recovery following the severe winter weather conditions in Q1. TEUs are down 3% in Q2 year-over-year, and this is a significant improvement over Q1. The recovery started to take hold in the second half of the reporting period.”

**Break-bulk up; bulk down**

General or break-bulk cargo improved 6.3% in 2Q14 over the same period last year while bulk cargo dropped 29.2% in 2Q14 compared to 2013.

Overall, 2Q14 tonnage decreased 15.4% to 1,855,579 metric tonnes compared to 2,194,261 metric tonnes in 2Q13. {HPA release 21.July.2014}

On 21 July Farguson commented, 'One of the factors driving the increase in general cargo tonnage is shipments of steel through the port and we see growth potential in general cargo as the planned Atlantic Canada mega projects are developed.

'In terms of bulk cargo, there is a recent positive development and that is the movement of bulk wood pellets as a result of resumed operations at the Scotia Atlantic Biomass Company Ltd. mill in Upper Musquodoboit owned by Viridis [see other article].

'In the past, agri-product moving through the port has typically arrived via bulk carrier and that of course was counted in the overall bulk tonnage. What we are seeing now is that same cargo arriving but it is now...
coming by rail and that is having an impact on the overall bulk tonnage. We are actively working with the Halifax Grain Elevator Ltd. to promote the export capabilities of the port as they relate to grain and other agri-food products.’ {e-mail to ANR&P correspondent Tom Peters 21.July.2014}

SAINT JOHN: CONTAINERS*
28 July. CONTAINER TONNAGE CONTINUED TO CLIMB, UP 12% IN IH14 TO 289,456 METRIC TONNES. “In 2012, Mediterranean Shipping Company put confidence in Port Saint John [see 14#04B]. Along with long-time stakeholder Tropical Shipping, these lines have shown how vital our port is to the region. Shippers and receivers are using Port Saint John more, that means greater economic activity for our city and province,” Jim Quinn, president and CEO, of Port Saint John, said.

More boxes too
The number of TEUs increased 16% from 38,762 in 1H13 to 44,928 in 1H14. Paula Copeland attributed the increase to the MSC service.

On 28 July the MSC Maria Laura arrived Saint John, while Tropical Shipping’s AHS Hamburg departed.

Other commodities
Dry bulk rose 5% to 663,548 MT in 2Q14 over 2Q13. “This was due primarily to extra salt being taken from the new potash mine in Sussex,” said Copeland. [See 13#12A.]

Liquid bulk dipped 19% to 11,229,242 MT in 2Q14 versus 2Q13, due to a scheduled shutdown for maintenance at the Saint John refinery, said Copeland.

Breakbulk declined 64% to 11,289 MT in the second quarter of this year compared to the same period in 2013. Copeland said most of the wood pulp is now moving in containers over the port. {e-mail to ANR&P correspondent Tom Peters 25.July 2014; Port authority press release}

BELLEDUNE: MIXED RESULTS*
25 July. BREAK-BULK DROPPED FROM 503,585 MT IN 2Q13 TO 373,610 MT IN 2Q14. The port’s Rolande Comeau-Roy attributed most of the drop to the closure in May 2013 of the Xstrata Mine in Bathurst, which shipped out zinc.

Liquid bulk in 2Q14 totalled 13,192 MT of inbound sulphuric acid, versus none in 2Q13. In project cargo, no tonnage moved in 2Q14 versus 1,985 MT in 2Q13. ’[I]t just happened we had nothing at that particular time.’ {e-mail to ANR&P correspondent Tom Peters 25.July 2014}

RAIL FREIGHT FACILITIES

Described in this issue.
Irving Oil (CSXT, New York) Crude oil still moving.
Island Rail (NYA, New York) Stopped transloading waste.
Newark America (PAS, Massachusetts) Restarting rail.

PEOPLE, EVENTS

*Chuck Samul has joined Anacostia Rail Holdings as marketing project manager. In this role he will support expansion of transload capabilities and business development. He previously held management posts in real estate, marketing, and economic development with Norfolk Southern and Conrail.

For New York and Atlantic Railway, Samul will handle development of larger transload terminals and
specific large-scale projects to be decided. He will likely handle efforts to persuade companies rebuilding the Kosciusko Bridge [see 13#10B] to use rail.

*Timothy Mellon* paid $1.3 million to settle a backhoe accident claim, according to New London attorney Kelly E. Reardon who represented the injured Michael Fournier.

In December 2009 Mellon, chair of Pan Am Systems and then a Lyme resident [formerly Guilford resident – *editor*], decided to drive his backhoe from Lyme to a repair shop in Rhode Island for a routine inspection. He reached Plainfield on Route 14A [he drove 40 miles thus far – Google] and turned left onto Spaulding Road [map indicates he would turn *right* if enroute to Rhode Island – Google]. Fournier, now 53, on a Harley-Davidson ran into the backhoe and was severely injured. {Karen Florin in New London *The Day* 23July.14}

*Mellon's claim* against the International Group for historic aircraft recovery (*TIGHAR*) to recover the $1 million he donated to find Amelia Earhart's plane is still scheduled for trial on 25 August in Casper. On 17 July, the federal court in Wyoming took under advisement TIGHAR's motions for summary judgement on fraud and mis-presentation. {court website case 13-cv-118}