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

**REGIONAL**

**CMQ: Hires 5th sales representative.**

**CSXT & NS at NEARS:** Why congested.

**Portland-Brooklyn:** Shortsea project to Red Hook.*

**New England forest exports:** Not among top six.*

**NEW YORK**

**CP - D&H:** Buyer found for the D&H south of Schenectady's Mohawk Yard. ++

**NYA:** Rail Construction Services won clearance work bid. First car to Wheel Spur. ++

**QUÉBEC**

[No report.]

**CONNECTICUT**

[No report.]

**MAINE**

**CN-SLR:** Auburn intermodal service still ending. SLR working on more traffic.*

**NB&M:** Railcar maker coming to The County?.

**Pan Am:** Verso Bucksporrt mill closing.*

**Pan Am-Portland:** Intermodal terminal work.*

**SLR:** Rangeley branch ribbon-cutting in Auburn.*

**Maine paper mills:** Maps loss of three mills.++

**Maine crude:** 0 by rail in August. Pipeline up.*

**MASSACHUSETTS**

**BCLR:** Cement still moving from Maine.++

**CSXT-MBTA:** New station for Beacon Park.*

**GU:** Court lifts injunction on propane facility, but

**Town of Grafton appeals to First Circuit.**

**MC:** Fall River track update.*

**Pan Am:** Files to abandon balance of Salem track.

**PW:** Intransit expands in Worcester, thanks CSXT.*

**PW & CSXT:** Study lists five rail-served available shipper sites, and two dray-served.*

**Massport:** Containers up 12% in 3Q14.*

**NEW HAMPSHIRE**

**NHN:** Line restored.*

**Pan Am:** No study needed. *Pan Am for Sea-3.*

**RHODE ISLAND**

[No report.]

**VERMONT**

**NECR v Pan Am:** STB finally opens proceeding.*

**MARITIMES**

**CBNS:** No new provincial or federal subsidy.*

**CBNS:** Filed to abandon Cape Breton line.*

**Halifax:** Armour exporting nickel.*

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**

Harmony Llanto, Tom Brugman.

**FROM THE PUBLISHER**

Another huge issue. Too many graphics!

- Chop Hardenbergh Next formal issue 24 Oct.

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**Helping to move rail and port traffic through New York, New England, the Maritimes, & eastern Québec. A weekly trade newsletter.**

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**Common abbreviations:**

**BCLR** - Bay Colony RR, **BML** - Belfast & Moosehead Lake RR, **CBNS** - Cape Breton and Central Nova Scotia Ry, **CCCR** - Cape Cod Central RR, **CCR** - Claremont Concord RR, **CMAR** - congestion-mitigation or air quality (money from the US federal government for these purposes), **CMQ** - Central Maine & Quebec Ry, **CN** - Canadian National Ry, **CNZ** - Central New England RR, **ConnDOT** - Connecticut Department of Transportation, **CP** - Canadian Pacific Ry, **CSO** - Connecticut Southern RR, **CSRX** - Conway Scenic Ry, **CSXT** - CSX Transportation (railroad), **EMRY** - see NB&M, **FHWA** - Federal Highway Admin., **FRA** - Federal Rail Admin., **FRTC** - Fore River Transportation Co., **FTA** - Federal Transit Admin., **GU** - Grafton & Upton Ry, **GWI** - Genesee & Wyoming Inc, **HRRC** - Housatonic Ry, **MAB** - Massachusetts Department of Transportation, **MCB** - Mass. Bay Commuter Rail, **MBRX** - Milford-Bennington RR, **MBTA** - Mass. Bay Transportation Authority, **MC** - Massachusetts Coastal RR, **MCER** - Mass. Central RR, **MDOT** - Maine Department of Transportation, **MERR** - Maine Eastern RR, **MMA** - Montréal, **MTQ** - Québec, **MNA** - Maine, **MP** - Metropolitan Planning Organization, **MTQ** - Québec, **MUP** - Municipal Planning Organization, **NAUG** - Naugatuck RR, **NB** - New Brunswick & Maine Railways (dba name) consisting of [MNR Maine Northern Railway, EMRY Eastern Maine Railway, and NBSR New Brunswick Southern Railway], **NBNSR** - see NB&M, **NECR** - New England Central RR, **NEG** - New England Southern RR, **NHCR** - New Hampshire Central RR, **NHDOT** - NH Department of Transportation, **NHN** - New Hampshire Northcoast RR, **NNEPRA** - Northern N.E. Passenger Rail Authority, **NS** - Norfolk Southern Ry, **NSDOT** - Nova Scotia Transportation Department, **NYA** - New York & Atlantic Ry, **NYNJ** - New York New Jersey Railroad (PANYNJ subsidiary, former Cross-Harbor), **PAR** - Pan Am Railways - parent of Maine Central RR, **PTC** - Portland Terminal RR, **Bost & Main**, **all leased by** ST - Springfield Terminal Ry, **PANYNJ** - Port Authority of New York and New Jersey, **PAS** - Pan Am Southern Railway, joint venture of Pan Am and Norfolk Southern, **PVRR** - Pioneer Valley RR, **PW** - Providence & Worcester RR, **QCR** - Quebec Central Ry, **RIDOT** - Rhode Island Department of Transportation, **Seaview-Seatown Transportation Company**, **SLQ** - St.Lawrence & Atlantic Ry (Québec), **SLR** - St.Lawrence & Atlantic RR, **SNC** - Saratoga & North Creek RR, **ST** - see PAR, **TIRR** - Turner's Island LLC, **TEU** - twenty-foot equivalent unit (measure of container traffic, equal to a 20x8x8 foot box), **VAOT** - Vermont Agency of Transportation, **VRS** - Vermont Rail System (Green Mt. RR Company **GMRC** + Vermont Ry **VTR** + Clarendon&Pittsford RR **CLP** + Washington County RR **WACR**), **WHRC** - Windsor and Hantsport Ry.
REGIONAL

CMQ: SEEKING MORE TRAFFIC
3 October, Northern Maine Junction. THE RAILROAD WILL SOON HIRE ITS FIFTH SALES REPRESENTATIVE. MMA at the end had only one. “I think there's more traffic out there, but we're going to have to work at it,” CEO John Giles said. {Justin Franz in Trains News Wire 3.Oct.14}

CSXT & NS AT NEARS*
2-3 October, State College, Pennsylvania. NEARS ORCHESTRATED AN EXCELLENT EVENT, wrote one attendee who wished to remain anonymous.1 "The facilities were well run, the food overwhelming, the presentations informative and the networking most satisfying." 2

Service failures
'On 2 October, both the NS and the CSX presenters knelt down in front of us and prayed to the gods for well run railroads. Each is having service failures and explained what the root causes are for their not fully anticipating the problems they are having.

'NS is seeing double-digit monthly year-over-year traffic growth and had only planned for 3%. CSX and NS are both seeing most of the growth along their northern lines. The dramatic increase in crude by rail is a significant part of this growth for each. NS [presenter Rudy Husband] and to a lesser degree CSX is also seeing Utica- and Marcellus-related growth. Larry Radcliffe [director of network planning for CSXT] had the crowd smiling as he simplified his presentation, avoiding technical terms and talking about the need to move "stuff".'

The D&H rumors
On 3 October, the 'news of Hunter Harrison stating that a deal was done for the D&H turned the rumor mill on. One rumor was that since G&W just did a deal with CP for the DM&E, that it was logical for them to be doing the D&H deal also. Another source said that it could be the NYS&W, as CSX and NS both own it, the routes could then serve both owners. No railroad named above in attendance made any comments.' {e-mail to ANR&P 7.Oct.14}

Re-open Frontier Yard?
CSXT used to operate Frontier Yard in Buffalo as a hump yard, but latterly downgraded it to a local switching yard with some block swapping on and off through trains. Now that the system is very congested [see note on Selkirk in 14#08B], CSXT is considering re-opening Frontier Yard, said one source with a Class I. “If Willard yard in Ohio melts down, the whole system is in trouble.”

“Although hump yards are a money pit, they are the only way to efficiently sort large volumes of merchandise traffic. Flat switching and block swapping yards cannot accomplish the same results.” {e-mail to, and discussion with, ANR&P 29.Sept.14}

PORTLAND-BROOKLYN: MARINE HIGHWAY DESIGN*
30 September. THE MAINE PORT AUTHORITY ANNOUNCED PRELIMINARY VESSEL AND SERVICE FOR THE PORTLAND-NEW YORK LANE.

A year old
The design documents are now twelve months old: for the vessel dated 15 October 2013, and for the service design 15 October 2013. Asked why they were released a year after completion, MPA Director John Henshaw

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1 Your editor did not attend, daunted by the distance and the fact that much of the time was devoted to activities not within the Atlantic Northeast.
2 The people who orchestrate this event do so as volunteers, including master administrator Joe Gearin. I very much appreciate the time and energy they devote to this event – which had a record turnout.
said on 1 October, “Mostly having to do with government bureaucracy.” \{ANR&P discussion\}

THE SERVICE DESIGN
The consultants justifying the market for short-sea shipping, Soli DG and McAlister Towing and Transportation, produced a 54-page report containing the following market analysis and the proposed service.

1. Niche for Waterborne Freight - Low-margin
'As previously discussed, allowable freight costs can be understood in relation to the available margin [price minus cost of production] as it relates to value of the freight. Freight will not move if its transportation cost is in excess of its available margin. Based on this concept, there is a market of low-margin freight that could be moved by water that could not cost-effectively be moved by other modes (as waterborne freight movement is less expensive per ton-mile). Using freight margin in relation to cost to ship per ton-mile, the graph illustrates roughly where this market exists.

'The Transport Threshold line shows where the cost of transportation is equal to the margin on the freight. The triangle shown in orange indicates the freight margins and acceptable rates of a market that is currently impractical for other modes of transportation to handle.

Accordingly, maritime freight transportation, and the NEMHP, should target low-margin commodities.

2. Direct to customer, or to distribution center
'Freight moves falls loosely into two flow categories:

Direct to Customer (DTC) – freight that is going direct from the origin to the end user.

To Distribution Center (TDC) – freight that is going to a warehouse or intermediary step in the supply chain.

Newsprint example for Maine. 'Requirements for the same freight can be different depending on if the freight is DTC or TDC. For example, Portland, ME handles a significant amount of newsprint for newspapers in New York, New Jersey, Pennsylvania, and Massachusetts.

'Newsprint represents an apt example for waterborne freight as it is a relative low-margin, high-density cargo. Once the newsprint is manufactured at a paper mill, it must be moved out of the facility as quickly as possible. Paper mills tend to be in rural areas where there is less access to low-cost trucking or ISO containers.

'For this reason, newsprint is often shipped utilizing rail or containerized/bulk maritime options. As the end destination does not (in all likelihood) have a dock or a rail siding, this freight is shipped TDC. At the
modal facility warehouse, value is added by storing the newsprint in a temperature- and humidity-controlled environment that ensures that the newsprint is as dry as possible. Further, the logistics capabilities of the distribution center are greater than the origin (the mill). This means that the 3rd party logistics provider can add value by controlling the flow of shipments. Newsprint can be staged and safely stored at the warehouse until it is needed by the end user (the newspaper): this allows the use of a "just-in-time" logistics model (which would be impossible without the warehouse). {page 19}

'These two legs of the supply chain for newsprint have distinctly different characteristics. The TDC move is focused on transporting the maximum amount of freight at the lowest cost. These large shipments can ship very slowly so long as the warehouse never runs out of supply for the customer, and represent the type of move that would be ideally handled by waterborne transportation (if the origin and warehouse were both abutting waterways).

'The DTC move is time-sensitive, focused on getting the freight to the customer as quickly as it is needed to satisfy the “just-in-time” requirements of the customer. Thus, a given freight move may contain some legs that are ideally suited for waterborne transportation, even if other legs are not. Re-evaluating supply chains leg-by-leg represents an opportunity for maximizing the utilization of the NEMHP and other maritime freight options.

3. Understanding regional markets
Understanding regional markets is a critical aspect of identifying freight opportunities. At present, two regions are relevant to the NEMHP: Manhattan and Long Island, and Northern New England. ...

'In Manhattan & Long Island, the population exceeds 10,000,000 on less than 1500 sq miles of land, completely surrounded by water. The bridges to access this region have high tolls and congestion. This region has a large consumer market, which tends to possess a higher volume of door-to-door and “Direct-to-Customer” deliveries. There is also a larger volume of full, inbound truckload shipments.

'On the other hand, Maine is a very large land mass (35,385 sq miles), with only 1,329,000 people. New Hampshire and Vermont have another 20,000 sq miles with approximately 2,000,000 people. Given the low population density, there is a much higher ratio of deliveries from and to distribution centers (TDC). Inbound cargo has a higher proportional volume of less-
than-truckload shipments, or consolidated freight carriage (cargo in one transport unit that has multiple end users).

Freight flows. 'The differences between freight flows in the two regions create a trade imbalance that impacts the cargo flow. The NYC metro area has a glut of transport units that lie idle or are relocated empty after the cargo has been discharged....

'There are large volumes of low-margin, high-density freight in northern New England, including forest products, agricultural products, seafood, and water (to name a few). The large volumes of these outbound cargoes present a challenge to shippers due to the lack of transport units in the region. This imbalance makes it difficult for transportation providers to experience a balanced cargo flow (with freight going in both directions). Occasionally, the cost of relocating an empty will be passed on to the shipper, which can make accessing the desired market cost-prohibitive.

'To mitigate the challenges raised by this imbalance, trucking companies have established warehousing operations between NYC metro and Northern New England. This allows the companies the highest utilization of their drivers and trucking assets. This allows trucking companies to offer “one way” rates in many instances, rather than pass the cost of repositioning an empty transport unit to the shipper. Facilitating a balanced trade, and utilizing TDC freight flow structures represent an opportunity for increasing the cost savings and adding value for shippers.' {page 21}

4. Market Identification
The consultants met with potential shippers of high-volume, low-margin freight. 'These meetings yielded freight movement data, which are proprietary (and otherwise unavailable). The data gathered are presented in aggregate, in order to protect the customers, and contain a combination of figures obtained from customers and through research.'

Logistical inertia. 'Furthermore, customer meetings allowed an opportunity to address logistical inertia. Shippers have functional supply chains that are well-established, and the recent domestic waterborne freight options have been lackluster. These shippers need to be educated on the differences of the NEMHP service, and to know how they can benefit. Given enough such meetings, it is anticipated that the pendulum will swing, and transportation and logistics professionals will begin promoting the service on their own.

Findings. 'The table above presents the findings of the customer meetings. Values are listed by general freight type, weight in short tons, approximate total weight (as converted to 40'equivalent units, FEU's, which serve as an indicator of the number of truckloads the freight represents), and the target capture of freight by the NEMHP (in FEU's). A general description is also listed next to each line item to give an indication of what specific product types have been identified as potential freight for the NEMHP. {page 22}

Top commodities. 'Maine's agricultural, seafood, and forest products industries produce a significant amount of resources and consumer products: Maine is the leading producer of wild blueberries in United States, 2nd to Wisconsin in pulp and paper production, 5th in the U.S. for the production of potatoes, and 8th in the United States for seafood landings. Along with these resources, there are production facilities adding value to raw products, trucking out finished products.

'Maine’s products currently enjoy a wide base of national distribution. Instant quick frozen (IQF) wild blueberries are being used in a range of store-ready products already integrated into the national market and on grocery store shelves across the country. Potatoes grown in Maine are processed into French fries, hash browns, potato chips, and a vast array of frozen food products, and distributed nationally to major fast food chains and food vendors. Maine’s paper products are being used for well-known newspapers, magazines, coated fabrics, laminates, packaging, and a vast array of products used and distributed throughout the globe.

'These industries account for significant transportation volumes over the Interstate highway system, the shippers are some of the largest corporations in the US. Capitalizing on the opportunity to shift these
corporations supply chains to integrate waterborne freight transportation (especially the NEMHP service) is a matter of making the shift appealing and viable.

What can make short-sea attractive? The primary factors that will determine the successful attraction of freight to the NEMHP service are given below as an "if-then" statement:

- If the containerized ATB service between Portland, ME and NY can carry containers of freight 10-20% heavier than via interstate trucking;
- If the cost of the ATB service can be competitive with or less than trucking; and
- If the shippers and truckers are willing to work together with the NEMHP in order to improve supply chain efficiency, lower costs, and increase short-haul trucking opportunities;
- Then the New England Marine Highway Project will have sufficient freight to be sustainable – a benefit to shippers and the public.

5. Why Brooklyn

There are a number of potential domestic shippers in Maine with sufficient cargo volume to fill virtually any design of vessel. However, rather than attempting to swallow the entire volume of traffic, the intent of this study was to include the movement of only those parts of the potential annual shipments from Maine to New York that make sense. Thus, the base traffic pattern was limited to a few high volume shippers, whose transportation needs can be filled by a high capacity weekly service.

The port pair for this study was Portland and New York. Portland has one viable container terminal: the International Marine Terminal. However, there are a number of terminals in New York that could serve the proposed service. Brooklyn was posited as the preferred site in New York, because of (a) accessibility for an ATB (minimum maneuvering), and (b) the availability of covered shed space which does not exist at any other facilities in the port. {page 26}

Need for shed space. 'Shed space is considered critical to the concept of moving heavy containers southbound between the ports. If containers are loaded to their weight capacity as intended, then they will be too heavy for over the road (OTR) transport. That means that the loaded boxes from Portland will have to be moved to covered shed space in Brooklyn, where they can be stripped and the contents reloaded into trucks for distribution in the NY metropolitan area.

Unbalanced traffic; future for international containers. In addition to the containers of domestic origin, there is expected to be a future demand to provide space for international containers in a limited feeder service in both directions. In this case, the Maine Port Authority has one international carrier, calling regularly at the port, and Brooklyn has several international carriers that call direct, or via intraport barge service, that can use the proposed service as a feeder.

Ultimately, the proposed service is intended to attract and develop northbound domestic freight, as well. However, since this is likely to be an unbalanced trade, with the largest flow of revenue-producing containers moving southbound, a large portion of the northbound capacity will need to be devoted to carrying empty containers. {page 26}

NEW ENGLAND: RAIL, SHIP, OTHER EXPORTS*

3 October, DC. FOREST PRODUCTS DO NOT RANK AMONG THE TOP SIX NEW ENGLAND EXPORTS, according to the US Bureau of Labor Statistics. Relying on census data of exports from New England ports (seaports, airports, and surface crossings into Canada), BLS produced this chart:

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1 Adding a southern New England port of call has been maintained as an option since the inception of the NEMHP. Such an addition is entirely dependent on demonstrable market demand.
Edwin Bannion of BLS said the 'primary metal manufacturing' category included steel mills [not a lot of those in New England] and products manufactured from inbound purchased metal.

BLS did not have a breakdown by transportation mode or by point of manufacture: “That's in the future.” {ANR&P discussion}

**NEW YORK**

**CP: WILL SELL SOUTHERN PART OF D&H ++**

1 October, White Plains, New York. **HUNTER HARRISON SAID CP HAS A BUYER FOR THE D&H,** during a welcome address at the outset of a two-day briefing to investors. He did not elaborate and said he was not at liberty to disclose the buyer.

Canadian Pacific is open to acquiring assets such as grain elevators, he also said. “Any infrastructure that’s there that would make financial sense and help us control more of the pipeline, we would certainly have an interest in.”

**Other points**

CP can bolster sales by adding as many as 50 cars to some of its trains and increasing their speed. It has a “huge opportunity” to take market share from trucks and will consider offering discounts to reach that goal.

Operating ratio will probably drop to “the low 60s” at the end of the four-year period, he said. In 2Q14
the ratio reached 65.1%. {Frederic Tomesco in Bloomberg Business News}

Only the southern part
James Clements, vice-president Strategic Planning, stated in his presentation on 2 October:

“When you see on the map, we go from Buffalo to Schenectady with a combination of physical assets and rights, and then we go down in a T through Sunbury towards Philadelphia. That's the portion of the network that we're going to exit. We're going to continue to retain access into Albany.” {video on cpr.ca}

Andy Cummings, CP spokesperson who handles the United States part of CP working out of the Twin Cities, said on 9 October that CP was retaining Mohawk Yard and “the haulage rights to New York City.” {ANR&P discussion}

Identity of buyer
According to Ed Ellis, head of railroad holding company Iowa Pacific, his company is not the buyer. ‘Wolfe Research says G&W.’ {D&H e-list}
NYA: CLEARANCE WORK ++

3 September, Queens. **RAILROAD CONSTRUCTION COMPANY SUBMITTED THE ONLY BID** to do the clearance work to permit Plate F cars west of Fresh Pond [see 14#08B]. {e-mail to ANR&P 24.Sept.14} [See ad in 09#12B. The company is located in Paterson, New Jersey.]

Paul Victor, the NYA president, wrote, 'The bid selected was on the mark.' {e-mail to ANR&P 7.Sept.14}

**Update**

James Bonner said on 6 October that the Plate F clearance project is 'progressing. RCC has been on site the last couple weeks.' {e-mail to ANR&P 6.Oct.14}

NYA: WHEEL SPUR UPDATE

30 September, Queens. **THE RAILROAD SPOTTED ITS FIRST CAR IN THE NEW WHEEL SPUR YARD**, a car for Weiner, Crowly, St.John Lumber [see 14#07B]. Marketing honcho James Bonner wrote: 'They're working down their inventory at Arch Street Yard and the LIRR has begun to lay down material for East Side Access [LIRR to Grand Central] at Arch Street.' The target date for the entire new yard remains December. {e-mail to ANR&P 6.Oct.14}

MAINE

CN-SLR: AUBURN MAY SURVIVE? ++

29 September, Auburn. **CN HAS NOT AGREED TO POSTPONE THE END OF INTERMODAL SERVICE TO AUBURN** until the end of 2014.\(^4\) CN's August announcement put the end date as 15 November [see 14#08B]. Rick McLellan, SLR acting general manager, at the Rangeley Branch ribbon-cutting [see other article] held at the Maine Intermodal Transportation Facility discussed it.

“We are working diligently” on possibilities to keep the facility open, he said, talking to “LL Bean and other customers” who bring in traffic from Halifax as well as western North America ports. He declined to comment further on the possibilities.

The facility is still receiving and shipping intermodally. During the ribbon-cutting, tractors delivered several trailers for TOFC service [see photo].

SLR

'BTW I never said CN was giving us an extension not sure where you got that information from.' {e-mail to ANR&P from McLellan 3.Oct.14}

McLellan referred further questions to Louis Gravel, head of GWI Canada. An e-mail to him was not returned by publication time. {ANR&P coverage}

CN

'We served notice that the steel wheel connection ends November 15. No extension for CN Intermodal.' {e-mail to ANR&P from CN spokesperson Mark Hallman 2.Oct.14}

MDOT Commissioner David Bernhardt said he's confident that CN's decision would have little impact on the area.

“The CN just supplied the cars,” McLellan said. “Are there other companies out there that can supply cars? Of course there are and I can tell you that I'm confident the SL and A will be taking every path to keep this operating.” {Scott Taylor in Lewiston Sun-Journal 29.Sept.14}\(^5\)

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\(^4\)In e-bulletin(uu) I published a wrong story. I quoted Rick McLellan, acting SLR general manager, to the effect that CN had postponed the end of its intermodal service to Auburn, from 15 November to the end of the year.

\(^5\)As a CN terminal, Auburn has access to the marketing and customer service of a Class I railroad. Of course, if SLR can find customers – and with GWI as a parent, it should be able to – and cars, it could interchange the cars to or from CN. *Editor*
NB&M: CHINESE CUSTOMER A SURE BET? ++

29 September, Auburn. **MDOT COMMISSIONER DAVID BERNHARDT IS CONVINCED NORINCO WILL BUILD RAILCARS** in northern Maine at the Loring Commerce Center [see 14#08B]. In speaking with Norinco officials, he pointed out that North America needs tank cars and other types. “Northern Maine is in desperate need of cars to move” forestry products out, he said in discussions following the ribbon-cutting here [see other story].

He was very positive about the skills of the rebuilders of the Maine Military Authority, located at Loring. They have moved from repairing and rearmoring Humvees to buses for transit authorities.

A wager

Your editor has wagered lunch with Bernhardt that no railcar will roll out of a facility in northern Maine inside five years. {ANR&P coverage}

More on worker capacity

Tim McCabe, who handles business development for Maine Military Authority, explained on 3 October that the Authority has rebuilt buses for transit systems in Portland and Biddeford, as well as “multiple school buses.”

He sees the “potential of doing railcars. We are looking at the industry working with teammates, and actively pursuing it.” {ANR&P discussion 3.Oct.14}

PAN AM: ANOTHER MILL CLOSING*

1 October, Bucksport. **VERSO ANNOUNCED IT WILL CLOSE THE PAPER MILL HERE** on 1 December, but retain its mill in Jay. Verso President and CEO Dave Paterson said in a statement the Bucksport mill “has not been profitable for a number of years, in spite of our employees’ dedicated efforts to make it so. Our assessment indicates it is impossible for the mill [which makes coated paper] to achieve profitability in today’s marketplace.”

The declining demand for paper and the mill’s rising costs, especially for natural gas, were major factors in the decision to close the mill, which was made by the Verso board earlier this day.
Power plant retained
Verso also owns an adjacent 273MW gas-fired electricity plant which Verso will retain. It bought it in February 2014; about 28% of its power goes to the Verso mill, and the rest is sold back to the power grid.

Bob Mundy, Verso senior vice president and chief financial officer, said the decision will not affect the company’s planned acquisition of NewPage, which has a mill in Rumford.

According to Derek Goodine, Bucksport town manager, property taxes from the mill make up about 44% of the town’s approximate $12 million annual budget. The valuation of the paper mill is $317 million, while the adjacent power plant has a separate valuation of $41 million, he said.

Financial report
The Bucksport mill has three paper machines, total capacity about 405,000 tons of lightweight coated groundwood and specialty papers. The Verso Jay mill has four paper machines that combined can produce more than 1 million tons of coated groundwood, coated freesheet, specialty paper and pulp.

The company in 2Q14 logged $43 million in losses. Coated paper dropped 11%, while pulp and specialty paper increased over 2Q13.

Mundy said selling power into the grid is “certainly part of what’s considered as we evaluate our options.” \{Darren Fishell and Bill Trotter in Bangor Daily News 1.Oct.14\}

Rail impact
Pan Am serves the mill via a long branch from Bangor with no other customers. Editor

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PAN AM - PORTLAND: TRACKWORK*
10 October. CONTRACTOR SHAW BROTHERS IS MOVING RAPIDLY AHEAD ON THE NEW INTERMODAL TERMINAL for the International Marine Terminal [see photo].

Earlier, HNTB engineer Craig Morin provided these facts:

- MDOT owns the land for the rail corridor, and will own the track. 'The discussions to date are that Pan Am will continue to operate on the rail and will serve the terminal. I am not sure if an “agreement” has been officially reached.' [See 14#05B.]

- Shaw Brothers is using Maine Track Maintenance as the track subcontractor.

- Pan Am is continuing to serve Energy USA Propane’s terminal. 'No specific dates or timeframe have been determined' for the move of the propane terminal to Pan Am's Rigby Yard in South Portland [see 14#04A.]. {e-mail to ANR&P 6.Oct.14}

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SLR: RANGELY BRANCH OPENS*
29 September, Auburn. THE SLR AND PARTNERS HELD A CEREMONY TO SHOW OFF THE RESTORED 6600 FEET, as well as two double-ended Portland. Looking southwest to the Sprague terminal, we see the propane tank cars of Energy USA, behind them the boatyard Rubb building. To the left of the yellow posts, one can barely make out the old rail line which formerly ran to Commercial Street and interchange with SLR. All the brush is cleared from the propane track to Outer Commercial Street, to the right out of the photo. \{ANR&P\}
sidings totalling 2200 feet, and a spur into MB Bark of 400 feet [see map]. 'As a result of Gendron & Gendron's favorable construction bid for Phase 1, project coordinators added Phase 2, which included two additional double-ended sidings totaling approximately 2,000 linear feet, thereby adding capacity and reducing delays on the route.' [See 14#04B.]

Future use: intermodal?
'With much of the land surrounding the line zoned for commercial and industrial development, City of Auburn and Town of Poland officials anticipate an increased interest in the area by owners of manufacturing operations and warehouse and distribution facilities wanting to take advantage of the rail-to-truck cross-loading opportunities. [See other article on future of intermodal facility.]

'Not only are there logistical benefits for businesses located in this area, there are economic incentives available for prospective businesses including the Pine Tree Development Zone and proximity to Foreign-Trade Zone #263.' {press release from Lewiston-Auburn Economic Growth Council}

Future use: manifest traffic
Craig Morin of HNTB, which did the design, said the track would serve MB Bark immediately, and future customers (on the map to the southeast of the track, in the trees with the words 'Savage overflow'). He had not heard of any consideration given to SLR running trains off the main and to the customers in the northeast such as NEPW and Savage. {ANR&P coverage}

"[MB Bark] is not getting cars yet, but we are working out an agreement where they are going to get service on this line," McLellan said. "We would expect to see cars start moving in their direction in the next four to six weeks, I would say." {Scott Taylor in Lewiston Sun-Journal 29.Sept.14}
CRUDE THROUGH MAINE*

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<th>Barrels of Crude by Month through Maine</th>
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<td>Port Pipe</td>
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<td>MMA</td>
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<td><strong>Total Crude</strong></td>
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</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.

MASSACHUSETTS

BCLR: CEMENT STILL COMING ++

3 October, Barbers-Worcester. **EMPTYs ARE STILL RETURNING TO DRAGON CEMENT** from the Millis Branch, where they deliver cement to Tresca. One trace showed a car placed at Medfield Junction on 30 September, getting to Selkirk on 3 October, and then back to Barbers on 4 October. {trace from colleague 5.Oct.14}

On 7 October Pan Am moved five covered hoppers through Freeport eastbound at 12h18. The **Downeaster** followed at 12h35, 25 minutes late. On 8 October the Downeaster was 20 minutes late getting into Freeport at 12h30; on 9 October it arrived at 12h33. {ANR&P observation}

CSXT-MBTA: BEACON PARK *

30 September, Boston. **THE MBTA WILL CONSTRUCT A NEW PASSENGER STATION IN BEACON PARK**, now that freight activity has ceased in the Allston yard. [CSXT will run through-freights to Everett via the Grand Junction branch, and will continue to serve the Houghton Chemical Company behind the yard – see 13#03B. ] The 'West Station' [apparently to comport with 'South' Station and 'North' Station – editor] will go up on Harvard-owned land, with the University paying one-third, the state one-third, and one-third paid by another, unnamed party.

Initially, the station will serve only the South Station to Worcester current operation. Eventually, state officials said, the station could host 'diesel multiple units' to connect Allston to Cambridge and North Station via the Grand Junction. The state has no plan and no timeline for that service.

**Timing and money**

The station will cost $25 million and open in 2020. The state's plan to straighten the Turnpike here starting in 2017 will cost $260 million. [But of course it cannot find the money to begin actual South Coast rail. **Editor**] {Michele McDonald in Boston Globe 1.Oct.14}

GU: PROPANE MOVE ++

30 September, Worcester. **THE RAILROAD ASKED SUPERIOR COURT TO LIFT ITS INJUNCTION**
AGAINST THE PROPANE TRANSLOADING FACILITY at its rail yard in North Grafton.

The court imposed the injunction and referred the matter to the STB [see 14#09A]. 'The Superior Court … entered two orders on June 12, 2013, which: (1) enjoined the delivery of the storage tanks, (2) directed G&U to comply with the Town’s cease and desist order, (3) stayed court proceedings pending a determination by the Board concerning whether 49 U.S.C. § 10501(b) preempts the Town’s application of its permitting and preclearance requirements to the facility, and (4) directed G&U to file a petition for declaratory order with the Board on the preemption issue.' {STB decision ruling Grafton's effort was pre-empted in Finance Docket No. 35752 19.Sept.14}

GU attorney John A. Mavricos made the request; Judge David Ricciardone said he would take the case under advisement before making a final ruling. He added that the Surface Transportation Board is the specific and most educated federal authority on pre-emption. {Craig Semon in Worcester Telegram and Gazette 1.Oct.14}

Injunction lifted
On 3 October Ricciardone ruled: 'The injunction is dissolved, the cease and desist order is hereby declared null and void. The Court is persuaded that it is not in a position to, in effect, overrule [sic] the inequivocle [sic] decision of the STB regarding federal preemption, even if the decision faces challenges.' {text of court ruling from GU spokesperson Doug Pizzi}

But appeal may slow terminal
Asked about next steps, GU spokesperson Doug Pizzi wrote: 'There are some logistics to work out and permits to get just to get the tanks from Fall River, and the town is saying it is going to appeal the STB decision to the First Circuit Court of Appeals in Boston.' {e-mail from Pizzi}

Indeed, Grafton Town Counsel Ginny Sinkel Kremer did file an appeal to the US First Circuit Court of Appeals. The federal appeal courts are the venues for appeal from STB decisions. “We are evaluating our options,’ wrote Pizzi, when asked whether GU would begin construction while the appeal was underway. {e-mail from Pizzi}

MC: FALL RIVER TRACK UPDATE*
22 September, Fall River. 
THE FALL RIVER PIER NOW HAS A REBUILT QUAYSIDE SPUR, announced Chris Podgurski, MC president, 'in partnership

* From the STB website: 'How and where are STB decisions challenged? Answer. Under the "Hobbs Act," 28 U.S.C. 2321 et seq., a party may seek judicial review of a final STB decision in the United States courts of appeals. A party may file a petition for review in the judicial circuit in which it resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit. In practice, more parties choose to file petitions for review in the D.C. Circuit than in other circuits.'
with MassDOT and the Department of Conservation Resources. The siding along the bulkhead side of the Fall River State Pier has been reconnected via the installation of an equilateral turnout. It was installed in the lead to the Borden Remington Facility immediately adjacent to Water Street. The Mass Coastal is working with CSX and MassDOT to market this unique opportunity.....[See map.]

'The advantage of the siding being directly on the bulkhead is that a self-unloader could set dimensional or other specialized cargo to or from a railcar.' {e-mail to ANR&P}

More
MassDOT funded the work in conjunction with the Route 79/Braga Bridge project, which removed the spaghetti ramps and will install a new road system.

In addition to the new spur, contractors also reworked the Quechecan Bridge on the Wharf Yard Lead [see photo].

The trackwork was done by Railworks. Earthwork and bridge repair was performed by AA Will Corporation.

By December 2013, the Water Street grade crossings received new surfaces and gated protection for all tracks.

The rail work was included as part of the Bridge Project, 'to accommodate car storage and switching flexibility' with the main line out, wrote Podgurski.

Effect on MC rail operations
The Route 79 superstructure removal required the prolonged outage of the main line south of the Quechecan Culvert, which carries the river under the line. Wrote Podgurski: 'It has not effected services to our customers.

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Footnotes:
1. For a great graphic modelling the entire project see https://www.youtube.com/watch?v=TkP1RiZ4Qqw.
2. The Quechecan River or in Wampanoag “Falling River” gave its name to the city. Running for about two miles from the South Wattupa Pond, its route was used by the now abandoned section of the 'Watuppa' track from New Bedford. The abandoned part is becoming a rail-trail. Much of the river was covered by the building of I-195 {Wikipedia}
The Bridge Project has used about 500 feet of our right-of-way to facilitate demolition and foundation construction. In the end it’s a “win-win” for both the project and the replacement of infrastructure."

Wharf Yard rebuilt; another pier track reconnected
In spring of 2015, MC will completely rebuilding of the Wharf Yard. 'The work will be staged so as to not prohibit service. Mass Coastal services Fall River Monday/Wednesday/Friday. To support the work schedules, occasionally we will alter service days.'

Also in spring 215, 'the second track most adjacent to the dock height doors will be re-connected to the system thus allowing cross-docking. On the existing connected track, Gold Medal Bakery’s flour cars are placed within the facility to be offloaded.' [See map.] {e-mails to ANR&P}

PAN AM: LAWRENCE ABANDONMENT
3 October, DC. PAN AM SUBSIDIARY BOSTON AND MAINE SAID IT WOULD ABANDON 1.4 MILES, all that remains of the Salem Industrial Track, earlier the Manchester and Lawrence line, in the next three years. This note accompanied the filing of its Three-Year System Diagram Map. {STB website, filings page, SDM - 1044}

Recent history
All but these last 1.4 miles, from the Lawrence Yard [see map of yard location on 14#03A] to FIND AND REPLACE QUESTION MARKS!!!!!!, were abandoned already; in 2001 Pan Am listed the entire track as to abandoned in the next three years [see box in 01#02B]. In 2003 the last customer reported itself satisfied with a new location directly in Lawrence [see 14#03A] and the track has no customers.
PW: CONTAINER UPDATE*

3 October, Worcester. **AN EIGHT-ACRE EXPANSION TO THE INTRANSIT CONTAINER TERMINAL WILL OPEN** in a week or two, according to President Steve Cotrone. “Worcester has become a transportation hub for all of New England,” he said. "That helps our area, and really, it helps all of New England.”

The expansion of the existing 22 acres to 30 permits an increase in weekly capacity by about 100, from the existing 400 and 500 containers to up to 700 containers a week, before another expansion would be necessary. Cotrone said he has talked to the city about expanding into the former Greenwood Street landfill [see map].

Intransit currently employs about 200 and will add 25 to 30 jobs with the latest expansion, he said.

CSXT Worcester terminal work helped
Cotrone cited the new CSXT intermodal terminal in Worcester as providing efficiencies, including the full-doublestack cleared route from New York. {Aaron Nicodemus in Worcester Sunday Telegram 5.Oct.14}

More on the expansion
Attendees at the 24 September Pilot Study presentation [see other article] reported ICI moved to its south Worcester location in 1990. Cotrone anticipates a significant increase in traffic in 2016 when larger ships can transit the enlarged Panama Canal. If bigger ships come to New York, CSXT may operate trains direct to Worcester, rather than sending them first to the Syracuse intermodal yard for sorting.

City of Worcester officials noted the new ICI property lay in two zones, and initially believed the use required a special permit. Later they discovered that the zoning accepted a 'rail freight terminal & accessory

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*Ships of 13,000 TEUs will transit, up from current limits of 4500 TEUs. {Peter Leach in Journal of Commerce 1.Oct.14}
Impetus
When CSXT consolidated its Beacon Park intermodal yard into its Worcester intermodal yard in 2013, it created both opportunities and concerns. To deal with that, and to encourage freight rail, the Central Massachusetts Regional Planning Commission [see map] envisioned a plan looking at all of Worcester County, in concert with the Montachusett Regional Planning Commission, which covers the northern part of Worcester County. Funding for a full plan was not available, so CMRPC embarked on a pilot study covering the Towns of Oxford and Auburn in concert with PW.

Encourage freight by finding sites
To grow freight rail in the Worcester region, traffic on the rails must increase. In turn, either existing shippers must increase their use, existing truck users must shift to rail, new shippers start off at rail-served sites, or new shippers start at sites which allow drayage to the Worcester rail terminals, either PW or CSXT.

CMRPC focused the study on potential sites for shippers; Smith said this study was the first time CMRPC had done a site evaluation in a formal process. “It’s not done so much across the country.” He called out Morris County in New Jersey, the region around Valdosta Georgia, and the Minnesota Freight Rail Economic Development Plan as places which had done the evaluation.

Will any growth occur?
Given the stagnant level of traffic on PW in particular and in New England in general, your editor asked what use such a study could serve. Chris Guzzi, PW senior director of business development, responded that he was looking at gaining market share: converting truck shipments to rail shipments. And he did see growth areas: propane and C&D.

Others saw development happening or coming, which could use rail in New England. One attendee noted that many “smaller companies coming to Worcester, and we are running out of space.”

David Swart, PVRR marketing honcho and head of Palmer Redevelopment Authority, remarked on the migration of business “back to the United States because of cheaper energy costs.”

Scott Conti, PW president, saw an increase in plastics traffic because of the concentration of manufacturers which make plastic products.

Swart remarked that PVRR customer Sonoco Paper was extremely important to the City of Holyoke. “It pays more than every other customer combined in Holyoke. If they closed, the sewer funding will collapse.”
The site survey
After a literature review, public meetings, site visits, and discussions with terminal operators Intransit Containers Inc (ICI) and New England Automotive Gateway, staff selected a series of sites to investigate for potential.

Sites should have a preferred route to I-290 or I-395, with no pavement, bridge, or town restrictions on truck traffic.

Case study #1: ICI expansion
[See other article.]

Case study #2: New England Automotive Gateway
Gateway, the rail-served auto terminal, opened in 2004. The proponents, Foreign Auto Services, Vehicle Outfitters, and George Bell, took the long view, said Smith. They had the 254 acres rezoned industrial, rather than ask for an exception or special permit. They chose to go through local permitting, even though they created a small railroad, the East Brookfield and Spencer [see 04#05B, map 04#06B], which could have allowed NEAG to create the facility via federal pre-emption. “It was important for them to work with the community.”

Example of site: 28 Millbury Street in Auburn
This was built specifically as a Filene's Basement warehouse, and then in the 1980s and 1990s served PW internal needs. In 2009, Boston-Power announced plans to manufacture lithium-ion batteries here, but lost out on stimulus funding and moved its manufacturing to China. The building has sat vacant for two years.


The Oxford regulatory environment
In comparison to the Auburn regulatory environment, Oxford permits mining/extractive industry, heavy manufacturing, truck stops, and wholesale distribution. It has large, vacant industrial-zone parcels, but they lack water, sewer, and power and are thus not development ready. Said Smith: “No water, no sewer, that's a deal breaker. In Oxford, there's no way to get water, and nowhere to put the waste because of problems” at the Upper Blackstone sewage treatment plant.

Why not CSXT?
Attendees noted that while CSXT's line passes through the region, it is less and less interested in active switches on the line. Indeed, NEAG chose its location because the CSXT line there already had a second track which could be used to stage incoming or outgoing NEAG trains.

Swart said the Class I wants to run from “point A to point B,” and if new businesses want to locate on rail, that business “comes to short lines.”

Chris Guzzi said that CSXT has 86 acres in Westboro where it moved its Transflo terminal. Customers can dray from the terminal, rather than require switches off the main line.

Next steps
The Pilot Study with Auburn and Oxford is actually a separate project from a 'Worcester County Wide Selection Project' about which Smith presented information also [see below].

CMRPC prepare a draft feasibility study and draft report for a late autumn presentation. {ANR&P coverage}

Sites for CSXT
The Worcester Regional Chamber of Commerce and the Worcester Business Development Corporation

commissioned a separate project by the Central Massachusetts Regional Planning Commission to study large, available commercial and industrial sites throughout Worcester County. “We've asked them to put together an inventory of sites in and around rail,” said Chamber president Timothy P. Murray. “We want the study to determine how the sites could work with CSX, marketing the sites for possible use as distribution centers, warehouses or light manufacturing.”

The $8,000 study has found seven sites — five in Worcester, and two in Auburn — that would be likely candidates for such development, according to Smith, principal planner at the CMRPC. {Aaron Nicodemus in Worcester Sunday Telegram 5.Oct.14}

**Rail-served**

150 Blackstone River Road, Worcester. 100,000SF space. PW-served. [The 'Bigda site'. See 14#07B.]

Pullman Street, Worcester. 9 properties, 35 acres. Pan Am-served. [A Capital Plan site. See 14#02B.]

28 Millbury, PW-served – see above.

66 Atlas Street, CSXT-served. 113,500SF.

South Worcester Industrial Park, PW-served, 3 properties, 5.81 acres. Just south of where the south leg of the wye ties onto the Norwich main.

**Truck/intermodal-served**

115 Southwest Cutoff, Worcester. 21.9 acres. 15 minutes to CSXT terminal.

190 Washington Street, Auburn. 54 acres. 10 minutes to CSXT terminal. {e-mail from Smith 7.Oct.14}

**MASSPORT 3Q14 CONTAINERS**

1 October. **MASSPORT TEUs GREW 12% OVER 2Q13.**

<table>
<thead>
<tr>
<th>Port of Boston Ocean Container Volumes Quarterly</th>
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<tr>
<td>Quarter</td>
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<tr>
<td>CY13 Q2</td>
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<td>CY14 Q2</td>
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<td>Pct Chg in CY14 Q2</td>
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<td>CY14 Q3</td>
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<td>Pct Chg in CY14 Q3</td>
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**NEW HAMPSHIRE**

**NHN: LINE RESTORED**

25 September, Somersworth. **REPAIR OF THE RETAINING WALL IS COMPLETE** and the NHN main to Ossipee is reopened as of this day. {railroad.net} [See 14#09A.]

**PAN AM: PROPANE MOVE**

28 September, Newington. **SEA-3 SAID AN ADDITIONAL SAFETY STUDY WAS NOT NEEDED**, despite the City of Portsmouth's continued insistence [see 14#09A]. Paul Bogen, vice-president operations of Sea-3's Newington propane terminal, made these points:
- 'The Newington facility is the only propane distribution and storage facility in New England that has both rail access to load and unload propane railcars plus large refrigerated storage tanks capable of storing more than a half million barrels of liquefied propane... In order to construct the [additional] necessary infrastructure for the transfer of propane from rail cars at ambient temperatures to these large refrigerated storage tanks, Sea-3 applied for and was granted a permit by the town of Newington Planning Board in May 2014. Unfortunately, the city of Portsmouth’s legal challenges to a permit issued by Newington for construction of improvements in Newington have unnecessarily delayed these improvements. As a result, critical propane capacity that would otherwise be available by the winter of 2015/2016 is now threatened with delays of a year or more.'

- 'Under the proposed expansion of the Newington terminal and the upgrade of tracks owned by Pan Am Railways, rail service could increase from an average of three trains per week to six trains per week (one train per day) pulling six to sixteen propane railcars per train.... This level of service is not new. During 1982, Sea-3 successfully completed a total of 600 railcar shipments during 10 weeks of high propane demand (an average of six trains per week) — without any railcar incident or complaints from Sea-3’s neighbors in Newington or from community residents along the tracks in Portsmouth or elsewhere.' [See 1975-1976 opposition to Sea-3 terminal in 14#08B.]

- 'Under federal rail safety standards, propane can be transported only by rail in DOT-112 tank cars which have shelf couplers, safety shields and half-inch or thicker steel shells and heads (the two ends of the tank car) to prevent damage or puncture if derailed, plus thermal protection outside the railcar shell to insulate against any fire.... DOT-112 railcars are the safest method of transporting propane — compared to the non-pressurized DOT-111 railcars used to transport crude oil and other flammable liquid products across our country every day.'

- 'Notwithstanding this testimony, the city of Portsmouth continues to demand a safety study to search for possible risks of increased rail activity, a position that is merely a pretext to delay or stop propane from reaching customers in New England. However, rail service on the Newington Branch has been ongoing and will continue regardless of Portsmouth’s efforts to stop it, as Portsmouth recognizes that it has no authority to directly regulate rail service. Instead, Portsmouth has chosen to interfere with the operations of Sea-3, a local company that has been serving the Seacoast and providing much needed jobs for over 35 years.' {special to seacoastonline.com}

30 September, DC. PAN AM FILED ITS SUBSTANTIVE COMMENTS AT THE STB, SUPPORTING THE SEA-3 PETITION, as permitted by the STB decision [see 14#08B]. Rob Culliford, Pan Am counsel (technically titling himself counsel to Boston & Maine/Springfield Terminal), wrote in a 59-page filing (most of which was attachments of the decisions of the Newington Planning Board and other authorities) that Sea-3 and Portsmouth had not resolved their differences on the safety study. He made these points, among others:

- 'Pan Arn has also developed a work plan to improve the condition of the Portsmouth and Newington Branches from a marginal FRA Class One to FRA Class Two. Despite Portsmouth's protests, this work has already begun, with over 5,000 new crossties installed, the placement of over 40 carloads of new ballast, and the replacement of worn rails. Should Sea-3 obtain its final permits and utilize rail service at the expected levels, completion of work to bring these branch lines to FRA Class Two will be finalized in the summer of 2015.'

- Pan Am has met with safety officials, emergency responders, planning boards of adjacent towns, and others to answer questions.

- 'Pan Am has also offered to meet with NHDOT and municipal departments regarding current and future at-grade crossing design to determine what, if any, upgrades may be necessary in response to increased rail traffic. To date, it does not appear that any upgrades will be necessary.' {STB website, filings page, Finance Docket No. 35853}
**VERMONT**

NECR v PAN AM: STB OPENS PROCEEDING*

2 October, DC. **FINALLY THE STB REQUIRED NECR TO EXPLAIN ITS BEHAVIOUR TOWARD PAN AM.** Pan Am asked for STB action on 27 June, in response to NECR's asking for a modification to the trackage rights fee set in 1990. On 22 July VRS supported Pan Am's request. On 22 September, CMQ supported Pan Am's request.

**Jurisdiction**

NECR argued that Pan Am's request should not form part of the process of modifying the fee, and NECR did not need to address its behaviour in the fee proceeding. The STB disagreed. 'NECR has not responded to the merits of PAS’s motion to show cause or explained why its imposition of speed restrictions on PAS’s trains and waybill production requirements are reasonable and in accordance with the ICC’s order in Amtrak II. 'Based on the record to date, the Board has concerns regarding NECR’s alleged speed restrictions and waybill requirements. We will therefore institute a new proceeding as a sub docket to the original proceeding in which Amtrak I and Amtrak II were decided. In this new sub docket, the Board will take notice of the arguments raised by PAS, VRS, and CMQR in Docket No. FD 35842.

**NECR to respond quickly – by 9 October**

'NECR is directed to provide a response to these arguments by October 9, 2014. [Mini-editorial: The Board gives NECR a week, while it futzed around on Pan Am's request for three months? No wonder so few formal disputes are brought before the Board.]

'Replies to NECR’s response may be filed not later than October 16, 2014. The Board will address NECR’s request to set new terms and conditions in a separate decision.' {STB website, decisions page, Finance Docket No. FD 31250 (Sub-No. 1)}

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**MARITIMES**

CBNS: NO NEW SUBSIDY OR OPERATION*

25 September, Halifax. **NS TRANSPORTATION MINISTER GEOFF MACLELLAN SAID, “AT THE END OF THE DAY, WE CANNOT OPERATE A RAIL LINE AS A PROVINCE.** We don’t have the fiscal means, we don’t have the capabilities or the expertise. If that’s going to be a viable line, there has to be a business case made for it, and it has to be the private sector that runs that line.”

GWI will abandon the Sydney-St. Peters Junction portion of the line after a yearly $2-million subsidy from the province ends 30 September. It carries only 500 cars per year now. [See 14#08B.]

**No federal subsidy**

Federal Transport Minister Lisa Raitt said 22 September that Ottawa will not provide money to keep the line running. Raitt, a Cape Breton native, said CBNS is not a federally-regulated line and the government has no interest in taking it over.

**Advisory committee**

The province has created an advisory committee [see 14#08B] to find ways to increase line use and improve its business case.

**Safety**

MacLellan said meetings in New Glasgow and Port Hawkesbury this week raised concerns about safety issues on the line and prompted a planned inspection of track infrastructure by department staff, company officials,
and community members.

“From a rail perspective, we are in compliance, in terms of the safety aspects that are identified by Transport Canada. But, for us, you know, I’ve been hearing a lot from varied stakeholders in both New Glasgow and the Port Hawkesbury area about additional safety concerns, and as regulator, it’s my duty to pursue those and make sure that we’re doing everything we can to keep trains on the line and people safe.”

Concerns about bridges and major infrastructure on the Sydney subdivision line were raised at the Port Hawkesbury meeting, MacLellan said. “Obviously there are concerns there.”

GWI reported the Sydney subdivision has slow orders requiring operation below 10 miles per hour, MacLellan said. Infrastructure improvement costs would be significant. {Bruce Eskine in Halifax Herald 26.Sept.14}

Ferry subsidy comparison
The provincial government has given Nova Star Cruises Limited $21 million in 2014, the total subsidy amount intended for a seven-year period, to restore ferry service between Yarmouth and Portland. Nova Star is a joint venture between ST Marine of Singapore and Quest Navigation of Eliot, Maine. {Tom Bell in Portland Press Herald 9.Sept.14}

Highway comparison
The province expended $74.9 million for phase 1 of the Highway 104 Antigonish bypass. {newswire.ca 31.Aug.12}

CBNS: FILED FOR ABANDONMENT*
6 October, Halifax. THE RAILWAY FILED TO ABANDON THE CAPE BRETON ISLAND LINE as it said it would [see 14#08B], from St.Peter's Junction to Sydney, at the provincial Utilities and Review Board. From the GWI office in Montreal, the railway stated:

Traffic decline
'Cape Breton & Central Nova Scotia Railway (CBNS) has been experiencing declining traffic levels between the Sydney and Point Tupper area for the past several years. Between 1993 and 1997, CBNS averaged 13,000 cars per year on this segment of our line, with the major shippers being SYSCO, DEVCO and CN Intermodal. SYSCO and DEVCO have closed their operations several years ago and CN Intermodal shifted their operation [trailers to North Sydney for ferrying to Newfoundland] to Moncton and Halifax.

Earlier abandonment approved
'On April 10, 2002, CBNS applied to the Nova Scotia Utility and Review Board (UARB) for the approval of a discontinuance of service and of a line abandonment for this segment of its line (Sydney subdivision). Both applications were approved by the UARB (decision NSUARB–RAIL-A-02, RAIL-D-02).

In its Decision the Board reviewed its authority and noted that there is nothing in the language of the Act which requires the applicant to justify why it is discontinuing service or whether its decision is reasonable or unreasonable. The Board emphasized that the question for the Board is whether the proposed notice and plan should be approved (refer to paragraph 55).

'CBNS did not proceed with the service discontinuance and line abandonment [in 2002] as an agreement was reached with the Nova Scotia Government, which provided financial assistance to CBNS to operate the Sydney to Point Tupper segment. The financial assistance agreement between CBNS and the Nova Scotia government was negotiated by RailAmerica.

'As of September 30, 2014 (expiry of financial assistance agreement), CBNS has received up to $23 million from the Nova Scotia Government. As this portion of the line will require perpetual subsidies, CBNS is not seeking renewal of the financial assistance agreement.
## Appendix A – Impact to Customers due to service discontinuance

<table>
<thead>
<tr>
<th>Customer</th>
<th>Commodity</th>
<th>Description of current operations</th>
<th>CBNS Proposed Solution</th>
<th>Customer Alternative</th>
<th>Infrastructure Investment Required by Customer</th>
<th>Impact to Customers due to Sydney Service Discontinuance - CBNS Proposed Solution</th>
<th>Impact to Customers due to Sydney Service Discontinuance - Alternative Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFA</td>
<td>Lumber</td>
<td>Inbound Lumber, reload to truck to be sent to Newfoundland via Marine Atlantic Ferry operations.</td>
<td>Transload at PP and truck all the way to Marine Atlantic Operations. PP has warehouse capacity that would allow Canwel. This would be an immediate proviso; agreement is reached Canwel and PP.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Canwel</td>
<td>Plastic Pellets</td>
<td>Inbound Plastic Pellets directly to their plant. Existing silos available. On occasion, require railcar storage.</td>
<td>Transload in Port H using S&amp;M Trucking (carrier for customer). This solution would not be ready until spring 2015 as the carrier needs to order a specific truck. Port Hastings Transload site to be built by CBNS.</td>
<td>N/A</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on the Sydney Subdivision railport. Customer will not need to build additional silos as they can still store railcars if necessary.</td>
<td>Minimal additional transportation cost offset by savings rail port. Marine Atlantic Ferry would lose up to $2M in revenues. Support Canwel warehouse would not be required.</td>
</tr>
<tr>
<td>East Coast Rope</td>
<td>Plastic Pellets</td>
<td>Inbound Plastic Pellets directly to their plant. Existing silos available.</td>
<td>TVS Trucking out of Port of Hawkesbury or Moncton. This is available immediately.</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on the Sydney Subdivision railport. Customer will not need to build additional silos as they can still store railcars if necessary.</td>
<td>Additional transportation costs, some offset by savings on the rail port (amount is based on where transload takes place). Customer will not need to build additional silos as they can still store railcars if necessary.</td>
<td></td>
</tr>
<tr>
<td>Superior Propane</td>
<td>Propane</td>
<td>Inbound LPG sent directly to Sydney.</td>
<td>Customer indicated they can transload themselves near Trenton. Customer already has a siding and a rack available in Trenton.</td>
<td>No</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on the Sydney Subdivision railport.</td>
<td>Additional transportation costs, some offset by savings on the rail port.</td>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Quality Concrete</td>
<td>Cement</td>
<td>Inbound Cement offloaded with mobile system. Railcars are stored in Sydney until they are ready for offloading.</td>
<td>Product is coming from Brookville, NS. Rail will no longer make sense. Therefore no solution can be provided by CBNS.</td>
<td>No</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on rail port.</td>
<td>Additional transportation costs, some offset by savings on the rail port (amount is based on where transload takes place). Customer will not need to build additional silos as they can still store railcars if necessary.</td>
</tr>
<tr>
<td>TransAtlantic Preforms</td>
<td>Plastic Pellets</td>
<td>Inbound Plastic Pellets directly to their plant. Existing silos available.</td>
<td>Transload at Port Hastings using S&amp;M Trucking (preferred carrier for customer). This solution would not be ready until spring 2015 as the carrier needs to order specific truck trailers. Port Hastings Transload site to be built by CBNS.</td>
<td>N/A</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on the Sydney Subdivision railport. Customer will not need to build additional silos as they can still store railcars if necessary.</td>
<td>Additional transportation costs, some offset by savings on the rail port.</td>
</tr>
<tr>
<td>Irving Oil</td>
<td>Propane</td>
<td>Inbound LPG sent directly to Sydney.</td>
<td>Mobile offloading unit required but unit is not approved in Canada. Therefore, CBNS cannot provide a transload solution at this point.</td>
<td>No</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on rail port.</td>
<td>Additional transportation costs, some offset by savings on the rail port (amount is based on where transload takes place). Customer will not need to build additional silos as they can still store railcars if necessary.</td>
</tr>
<tr>
<td>Hilly Acres</td>
<td>Grain</td>
<td>Inbound grain where grain is transloaded directly from rail to truck. Customer offloads railcar as they receive them (i.e. no storage).</td>
<td>Transload at Port Hastings by S&amp;M Trucking. Transload site to be built by CBNS. Port Hastings offers a pit that is required to offload products.</td>
<td>N/A</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on the Sydney Subdivision railport.</td>
<td>Additional transportation costs, some offset by savings on the rail port.</td>
</tr>
<tr>
<td>Hamilton Scrap</td>
<td>Scrap Metal</td>
<td>Spot business where customer loads scrap metal in railcars and sends to various locations in Ontario.</td>
<td>Trucking to a CBNS site on the Hopewell subdivision. Customer would need to hire a crane to load (which they are currently doing in Sydney). This service would be available immediately.</td>
<td>No</td>
<td>No</td>
<td>Additional transportation costs, some offset by savings on the rail port.</td>
<td>Additional transportation costs, some offset by savings on the rail port.</td>
</tr>
</tbody>
</table>
'2014 volumes for the Sydney Subdivision are expected to be around 493 carloads. No growth is expected for this portion of the line in the next few years. Therefore, CBNS is submitting a concurrent application for discontinuance of service and for line abandonment of the Sydney subdivision.

**Date of abandonment**

'It is the intention of CBNS to no longer provide service after December 31, 2014. CBNS assumes a UARB decision no later than December 1, 2014. CBNS is requesting a one-month notice period from the UARB decision date to discontinue rail service.

'CBNS respectfully submits that the decision of the UARB should reflect that date since the public and particularly shippers have been aware of CBNS's intention to discontinue service and abandon the line since June 2014. As well, CBNS has met with all impacted shippers and provided them with immediate alternatives. Therefore, a one-month notice will ensure all impacted shippers have secured alternative transportation methods. It is to be noted that all impacted shippers will not need to undertake infrastructure investments due to the service discontinuance.'

**The immediate alternatives**

[See boxes.]

**Offer of sale to the Crown**

The notice stated that on 31 December 2014, CBNS would offer the property to the Crown, as required by statute. If the Crown does not purchase it, then it will be abandoned on 1 May 2015. {UARB website, case M06442}

**Public hearing 8 December**

The Board scheduled a hearing on 8 December at the Membertou Trade and Convention Center. {UARB notice}

**HALIFAX: EXPANSION OF DC**

18 September. ARMOUR TRANSPORTATION SYSTEMS HAS ADDED 100,000SF OF WAREHOUSE SPACE TO HANDLE NICKEL EXPORTS at its transload and logistics operations in Halifax Logistics Park, in Burnside, Dartmouth. The

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11 I had to find it too. Membertou lies just outside Sydney, southeast.
expansion of the 2009 150,000SF warehouse will allow Armour to service both domestic and Halifax port customers as well as meet the logistics demands of the mining industry in Newfoundland and Labrador. {Halifax Gateway Council release 18.Sept.2014}

**Supporting Newfoundland mining**

Armour signed a long-term contract with nickel mining company Vale Newfoundland and Labrador Limited in 2013 which is nearing completion of a new nickel processing plant in Long Harbour, Newfoundland. In Halifax, Armour is housing startup equipment and other supplies for the Long Harbour plant and the mine in Voisey’s Bay.

When the processing plant produces refined nickel, Vale will transport it via its own ship to Halifax,
dray it to Burnside for storage, and load it into containers. These will then go back to the port for export.
{Amanda Fraser. allNovaScotia.com. 18.Sept.2014}

The mine has been in production since 2005 and concentrates have been shipped to Quebec City on the ice-breaking bulk carrier MV Umiak 1. The vessel makes between 10 and 12 trips annually to Quebec City carrying up to 30,000 tonnes of concentrates. From Quebec City the concentrates are transshipped to Sudbury and Thompson, Manitoba for processing and distribution to markets. {e-mail from Tom Peters, ANR&P correspondent, 1.Oct.14}

**RAIL FREIGHT FACILITIES**

Described in this issue.
Eimskip (Pan Am, Maine) Progress on intermodal terminal.
GU Propane (GU, Massachusetts) Court lifts injunction.
Intransit Container (PW, Massachusetts) Expanding.
Maine Intermodal (SLR, Maine) CN service still ending 15 November.
MB Bark (SLR, Maine) Rangeley Branch will serve.
Norinco (MB&M, Maine) MDOT believes will build cars.
Sea-3 (Pan Am, New Hampshire) Battling at STB on propane.

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NBM Rail Services maintains over 520 miles (837 kilometers) of track in the province of New Brunswick and the state of Maine. NBM Rail Services offers an array of design and maintenance services to rail, industrial, and manufacturing customers in the United States and Canada. If you have a project or a problem, we have a solution.

**Services Offered:**
- Track inspection services
- Track maintenance and rehabilitation
- Track engineering and construction
- Rail crossing inspection and maintenance
- Rail yard design
- Yard switching

**Contact Information:**
Tyler Langille
(506) 643-1784
Langille.Tyler@nbmrailways.com

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JDI Integrated Logistics – Connecting Customers to the World
Tresca (BCLR, Massachusetts) Cement arriving from Maine.
Verso (Pan Am, Maine) Closing Bucksport mill.

Weiner, Crowly, St.John (NYA, New York) First car to Wheel Spur.

PEOPLE, EVENTS

Harmony Llanto has become general manager of the Maine Eastern Railroad, succeeding Barry Knowles. Llanto had succeeded Gordon Page as director of passenger operations. Richard Merrill, former Maine Coast engineer and MERR dispatcher, has become assistant manager.

MERR has had difficulty keeping a head of the operation, whether entitled superintendent or general manager: Jon Shute was succeeded by Denny Mohn in mid-2007. Mohn was succeeded by Don Marson in November 2012; Marson by Mike Moore in June 2013; Moore by Barry Knowles; and now Knowles by Llanto.

Tom Brugman, deputy director of the STB’s Public Assistance and Compliance program, left the Board on 30 September.