People: Fred Hirsch dies suddenly.

Searsport: Department of Marine Resources hears opposition to expansion dredging.

GU: Starts moving propane tanks to North Grafton. Derailment.

CMQ-MDEP: Comments on proposed rule for parked tank cars get some changes made.

Maine crude: Figures for May and June show nothing by rail and a decline in pipeline.

NECR v Pan Am: NECR opening statement yields figures for carloads by each railroad on the line.

MERR-MDOT: Rockland Branch RFP reaches the MDOT website. Proposals due in August.

CSXT: Customer to build subway cars in Springfield.

MassDOT: Rail capital budget provides upgrades for Pan Am, MCER, MC, HRRC, BCLR, and CSXT.

FRED HIRSCH: RIP

On 11 June in Bangor Fred Hirsch died, suddenly. As well as working as the Operation Lifesaver coordinator for Maine, Fred was a colleague of mine and one of my earliest subscribers.

SEARSPORT: DREDGING MEETING

9 June, Searsport. THE MAINE DEPARTMENT OF MARINE RESOURCES HELD A PUBLIC MEETING for comments on the proposed dredging of the harbor [see e-bulletin(x)]. DMR requested that public comments address just the following two issues: ‘impacts of the proposed dredging operation on fishing in the area to be dredged; and impacts to the fishing industry of the proposed route to transport dredge spoils to the disposal site.’

Eighteen people spoke against the expansion dredging; no one spoke in favor. {WCHS tv; Penobscot Bay Blog}

PROPANE TANKS ENROUTE

14-16 June, Milford-North Grafton. THE DELIVERY OF TANKS FOR GU’S PROPANE FACILITY HIT SNAGS. First, drivers for the trucking company moving them from Fall River could not make a turn in Milford. A GU press release noted that MassDOT and the trucking company had some ‘miscommunication’. The route was re-planned. {text of press release}
Derailment
GU put the tanks onto flatcars in Hopedale. Enroute to North Grafton one car derailed in Grafton 16 June.

Doug Pizzi, spokesman for the railroad, said afterward that the remaining two tanks will be delivered one at a time, rather than in tandem. He said that the derailment occurred at a spot where the track was slightly concave. Because the long load was rigid, the wheels lifted up slightly. “There was no damage to the track. The track didn’t spread.” {Susan Spencer in Worcester Telegram & Gazette 16.June.15}

Status of appeals
The tanks are moving toward their cradles [see photo] despite the fact that the First Circuit has not decided on the appeal by the Town of Grafton of the STB decision permitting GU to go head [see 15#04B].
MAINE DEP: OIL REPORT FOR APRIL

Barrels of Crude by Month

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All Crude</td>
<td>4,663,561</td>
<td>4,215,328</td>
<td>3,239,312</td>
<td>4,219,464</td>
</tr>
<tr>
<td>Portland Pipe</td>
<td>5,231,611</td>
<td>2,030,814</td>
<td>1,665,980</td>
<td>2,851,096</td>
</tr>
<tr>
<td>Pan Am</td>
<td>441,820</td>
<td>0</td>
<td>0</td>
<td>37,128</td>
</tr>
<tr>
<td>CMQ</td>
<td>919</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total 2013</td>
<td>6,097,797</td>
<td>2,030,814</td>
<td>1,665,980</td>
<td>2,851,096</td>
</tr>
</tbody>
</table>

Source: Maine Department of Environmental Protection. All entities transporting crude must pay a per-barrel fee and report the number of barrels by the end of the month following the transport.

* Pan Am did run a crude oil train through Maine in February 2015. See 15#04A.

CMQ/MAINE DEP: NEW RULES

16 June, Augusta. *THE DEPARTMENT OF ENVIRONMENTAL PROTECTION ISSUED ITS RESPONSE TO TWO COMMENTS ABOUT ITS DRAFT RULES FOR TANK CARS* this day.

CMQ comment results in changes
Joanne B. Tourangeau of the law firm Drummond Woodsum wrote on behalf of CMQ. As a result of the CMQ comment, MDEP changed one of the rules to now state:

**6. Inspections.** Any person or operator who stores, leaves, or temporarily parks five (5) or more a rail tank car or cars containing 42,000 gallons or more of oil in the aggregate at a siding for more than five (5) consecutive days shall visually inspect the cars for evidence of oil discharges a minimum of every 24 ± 12 hours and maintain a written log of the findings of such inspection.

The change eliminates the nonsensical requirement that a railway inspect empty tank cars, and decreased the frequency of inspection.

ANR&P comment repudiated
The second comment came from your editor, questioning whether the rules were pre-empted by federal regulation.

MDEP Response: 'Although some state and local actions may be preempted by the U.S. Code and federal regulations administered by the Federal Railroad Administration, it is important to recognize these laws and regulations do not preempt all state actions pertaining to railroads. Federal preemption is specific to railroad safety for the purposes of establishing uniform standards across state boundaries. In accordance with 49 U.S.C. 20106, 49 CFR 174.2 and 49 CFR 179.8, states may impose additional requirements to address railroad safety and security already covered by DOT regulations or orders when it is necessary to eliminate or reduce an
essentially local safety or security hazard, is not incompatible with other federal requirements, and does not unreasonably burden interstate commerce.' {maine.gov website}

**Mini-editorial:** The changes suggested by CMQ certainly relieve a considerable burden on interstate commerce. Do the changes make it a 'reasonable' burden?

**Effective date**

Dave Madore, MDEP spokesperson, wrote on 16 June: 'The commissioner signed the Rule change yesterday. It now goes to the Attorney General’s office for review, they have 30 days to complete their work. It then goes to the Secretary of State’s office to be assigned an effective date, which is usually 5 days after.' {e-mail to ANR&P}

**NECR v PAN AM: TRACKAGE FEES AT THE STB**

4 June, DC. *THE NECR OPENING STATEMENT PROVIDES A SMALL TROVE OF FACTS ABOUT TRAFFIC ON THE LINE.* Pan Am and NECR traffic on the line, while not explicitly stated, may be calculated [see #3 below].

**The six segments of the ConnRiver line for Pan Am**

Pan Am operates on the ConnRiver from East Deerfield north to White River Junction, in these segments (*ANR&P* coinage):

- **East Deerfield – East Northfield:** ConnRiver Pan Am North owned by MassDOT, dispatched by Pan Am
- **East Northfield – Brattleboro:** ConnRiver NECR-south owned by NECR, dispatched by ARDC
- **Brattleboro – Windsor:** ConnRiver NECR-middle NECR-owned (ex-B&M), dispatch ARDC
- **Windsor-White River Junction:** ConnRiver NECR-north owned by NECR, dispatched by ARDC

Pan Am operates on the ConnRiver from East Deerfield south to Berlin, Connecticut in these segments:

- **East Deerfield-Springfield:** ConnRiver Pan Am South owned by MassDOT, dispatched by Pan Am
- **Springfield-Berlin:** New Haven-Springfield owned and dispatched by Amtrak.

**The posture of the case**

Eric Hocky wrote on behalf on NECR. Under section 2.2 of the *Trackage Rights Order* (TO) issued by the Interstate Commerce Commission (ICC), predecessor to the Surface Transportation Board (STB), in its 1988 decision determining the trackage rights fee of 45 cents per mile:

> 'After 20 years from the Conveyance Date, either party to this agreement may seek modifications from the other, and if satisfactory modifications are not agreed to after a reasonable period for negotiation, may apply to the ICC for modifications. Nothing in this section shall authorize the ICC to impose arbitration requirements upon either party to this Agreement.'

NECR and Pan Am did attempt mediation [see 15#05B], but failed, wrote NECR.

**Why new fees needed**

'Given that more than 20 years has passed since the Conveyance Date of September 9, 1988 (TO, section 0.5), and in that significant improvements have been made to the trackage rights line such that the line is currently in FRA Class 3 condition without significant slow orders, allowing for more uniform efficient speeds and operations. Additionally, over the years the trackage rights line has been improved so that the entire trackage rights line, including all bridges on the trackage rights line, can now handle 286,000-pound loaded rail cars.

'NECR now seeks to have the terms and conditions of the trackage rights re-set to reflect current standards for such agreements, the increased value of the line, and the higher costs of maintenance.'
1. THREE CRITERIA TO DECIDE THE AMOUNT OF THE FEE

'The Board does not often get involved in the establishment of trackage rights terms and conditions. However, when it does, it (as the ICC did before it) will generally apply the "SSW Compensation methodology." This methodology was developed in a series of cases involving St. Louis Southwestern Railway Company ("SSW") …

[T]he methodology has been extended to … situations where the parties wanted the trackage rights to continue but could not agree on compensation. ... The three essential elements of the SSW Compensation methodology were summarized by the Board in North Carolina Railroad Company - Petition to Set Trackage Compensation and Other Terms and Conditions - Norfolk Southern Railway Company, et al, STB Finance Docket No. 33134 (served May 29, 1997), 1997 STB LEXIS 123, *10, fn. 13, and [consist of]

(1) the variable cost that is incurred by the owning carrier but attributable to the tenant carrier's operations;
(2) the tenant carrier's usage-proportionate share of track maintenance and operating expenses; and
(3) an interest or rental component to compensate the owning carrier for tenant carrier's use of capital dedicated to the track by the owning carrier; determined by multiplying the value of the assets by a rate of return equal to the railroad's current pre-tax nominal cost of capital.

1.A Percentage use of the line by Pan Am

---

1Hocky, like other recent poor grammarians, believes the term 'include' is used to denote the complete list. If he wanted to denote that, and I believe he did, he should use the words 'consists of'. 'Include' denotes the following is a partial list and possibly other members of the list are not stated. "The invited guests included the king and queen of Monaco."

2I use the term 'Pan Am' to refer both to Pan Am Southern, the owner of the trackage rights, and Pan Am Railways/Springfield Terminal Railway,
In determining the percentage of usage of the trackage rights line, NECR examined the number of car miles attributed to each of the three rail users of the line, NECR, Amtrak and PAS.

1.B Variable cost attributable to Pan Am

The Board and ICC have consistently held that the tenant carrier should bear the incremental costs attributable to their operations.

Dispatching. 'NECR obtains its dispatching services from American Rail Dispatching Center ("ARDC"), a wholly-owned subsidiary of GWI located in St. Albans, Vermont. ARDC provides dispatching services not only for NECR, but also to third-party rail carriers, including several other GWI subsidiaries.

'ARDC bills NECR for all dispatching of NECR's lines, regardless of whether the calls are made by NECR, Amtrak, or PAS. For this reason, there is no discrete tracking of PAS dispatching costs. Using March 2015 as a representative month, NECR calculated the dispatching cost attributable to each radio and phone call made to ARDC for dispatching, and then applied the cost per call to the average estimated number of calls per month made by PAS over the last twelve months. (The estimated number of calls per month are based on PAS' historical train movements and represent the minimum number of calls the PAS crews would have had to make in order to perform the train movements; we were unable to determine if they made additional calls.)

1.C Proportionate share of operating and maintenance expenses

Maintenance expenses. 'Maintenance of rail lines is comprised of two components - regular maintenance and program maintenance. The amount spent on maintenance can vary from year to year; however, for the purposes of calculating a base amount on which to calculate a long term trackage rights fee, NECR engaged an experienced railroad expert, R.L. Banks and Associates, Inc. ("RLBA") to calculate an estimated level amount to maintain the trackage rights line (and of the segments) in its current Federal Railroad Administration the operator of the rights.

To calculate PAS’s share of usage of the Subject Line Segments, NECR first determined the number of car miles attributable to PAS, including locomotives. The count was confirmed by comparing the totals calculated to the amounts billed under the TO to PAS by NECR. For Amtrak car miles, we took the standard Amtrak consist of 5 cars plus one locomotive, and assumed that Amtrak (in accordance with its schedule) ran 2 trains per day, all 365 days of the year, over the entire section. With respect to the NECR portion of usage, we could only track cars that produced revenue. We assumed that each loaded car returned empty (i.e., we doubled the car miles of the loaded cars), and added in additional car miles for the estimated number of locomotives based on our operating plan. From the PAS car miles and the total car miles of all three carriers, we were able to determine PAS’ percentage of usage of each of the Subject Line Segments, and its percentage usage of the entire Subject Line. {Ebbrecht verified statement, page 5}
Property taxes. The trackage rights line runs through the states of Massachusetts, New Hampshire and Vermont, and NECR pays property taxes in all three states. With respect to Vermont which has a unified property tax for railroads, NECR allocated the tax by mileage to determine the portion allocable to the trackage rights line and each segment. Additionally, NECR has been advised that its Vermont taxes will almost double for 2015 and 2016 from the current level. Accordingly, NECR has calculated the property taxes for both 2014, and for 2015 and 2016 as a base amount for going forward.'

1.D Interest or Rental Component
'The interest or rental component is determined by applying the owning railroad's pre-tax cost of capital to the value of the line. ...

---

7 NECR states: 'RLBA's methodology and calculations are set forth in full in Volume 3. RLBA VS at 10-11 (and the Maintenance Appendix thereto).’ This is not redacted; those who wish to see its detail should contact me for the Statement.
In this proceeding, NECR has obtained an appraisal of the underlying real property, and a valuation of the infrastructure in place. … As this represents the current market value of the property, the Board should base its calculation of the interest rental component on this value. … {page 12}

Federal investment in the line. 'PAS is likely to raise the issue that public grant monies have been used over the years for a portion of the rehabilitation of, and capital improvements to, the trackage rights line. However, the ICC made it clear that the owning railroad is entitled to earn a return on property donated by government that is used or useful in the railroad business provided by the owning railroad. ... The values set forth below include investments in the trackage rights line as it exists today, including improvements made with public grant monies and with funds expended by NECR.

Current pre-tax cost of capital. 'The current post-tax cost for 2013 is 11.32%. Railroad Cost of Capital - 2013, STB Docket No. EP 558 (Sub-No. 17) (served July 31, 2014). NECR does not file separate tax returns, but rather it is part of the consolidated tax returns filed by its ultimate parent holding company Genesee & Wyoming Inc. ("GWI"). GWI's consolidated effective tax rate for 2014 was 29.1%. ... Applying the effective tax rate to the post-tax cost of capital yields a pre-tax cost of capital of 15.97%’.

Applying that rate to the value of the line, and applying Pan Am's percentage use yields the 'Interest Rental Component'. {page 14}

Adjusted in later years. '[T]he interest rental component shown above would be considered the interim payment amount, with adjustments being made as and when the cost of capital for subsequent years is announced.'

1.D Total amount of fee
NECR would like Pan Am to pay a trackage rights fee and monthly rental. If one instead uses the per car-mile fee of each component, one gets:

<table>
<thead>
<tr>
<th></th>
<th>South</th>
<th>Middle</th>
<th>North</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trackage usage 2014</td>
<td>1.67</td>
<td>1.02</td>
<td>0.92</td>
<td>1.13</td>
</tr>
<tr>
<td>“Rental” value</td>
<td>3.04</td>
<td>6.15</td>
<td>4.84</td>
<td>5.55</td>
</tr>
<tr>
<td>Total car-mile fee</td>
<td>$4.71</td>
<td>$7.17</td>
<td>$5.76</td>
<td>$6.68</td>
</tr>
</tbody>
</table>

2. OTHER TRACKAGE RIGHTS TERMS
NECR presented the entire TO with proposed revisions, in an appendix to the filing. It discussed, in its statement, some of the changes.
2.1 No limitations on PAS's liability for capital improvements.
'As part of the 1990 ICC order establishing the trackage rights terms, the ICC limited B&M's liability for capital improvements for the Former B&M Line, and capped the compensation to be paid based on then-current traffic levels.

'These limitations were in part to compensate B&M for the forced sale of the Former B&M Line at the constitutional minimum value of net liquidation value, and these limitations clearly were meant to be applied only to the Former B&M Line.

'However, when B&M and CV voluntarily agreed to have the trackage rights order apply to the CV Lines as well, the effect of the limitations spread to the trackage rights over the CV Lines.

'Now, twenty-five years later, there is no longer any justification for these limitations, and the benefit of this accommodation to B&M (and its successors) has more than offset any reduced payment B&M received as part of the forced sale. Accordingly, NECR proposes to eliminate the limitations which appeared in Sections 3.1, 3.3 and 3.6 of the TO, and has added provisions that would require PAS to pay its equitable share of major capital projects.' {page 16}

2.2 No haulage.
NECR instituted voluntary self-help by limiting Pan Am operating speeds and requiring presentation of waybills, when it heard that Pan Am was entertaining the idea of haulage for VRS. The STB slapped those provisions aside and did not decide on whether the existing TO permitted haulage [see 14#12B].

'NECR acknowledges it has permitted haulage in the limited instance where PAS is hauling cars for Norfolk Southern Railway that are interchanged with NECR, but only in that limited circumstance. Although NECR believes that the TO already prohibits haulage, it has added language in Sections 1.9(a) and 10.7 to eliminate any prospective ambiguity.'

'The parties have previously presented arguments to the Board regarding their positions on whether haulage is permitted under the TO. NECR's position is set forth in its Reply to PAS Claims filed October 9, 2104. As the Board noted in its December 23, 2014 decision, "PAS does not rebut NECR's argument."

[A more complete quote from the December 2014 STB decision: 'NECR argues that haulage is prohibited under the TO, citing multiple sections of that document. Outside of a generic statement that it does not agree with NECR’s reading of the TO on haulage, PAS does not rebut NECR’s argument. The parties are encouraged to confer and attempt to resolve privately issues surrounding the TO, such as this haulage issue and acceptable methods for monitoring compliance with the TO.' {page 5}]

Even the STB seems to minimize the point, for the Board wrote earlier in the decision: 'In reply, PAS argues that the plain language of the TO allows it to use its trackage rights over the line to provide haulage to other carriers.' {page 3}}

2.3 Other
NECR also would like to change insurance, provision for hazardous materials, and changing the period before re-opening from 20 to ten years. {page 17}

3. PAN AM , NECR, AMTRAK TRAFFIC ON THE LINE
The data above permit a calculation of the loads on the line for all three railways, as shown in the table.

<table>
<thead>
<tr>
<th></th>
<th>NECR-south</th>
<th>NECR-middle</th>
<th>NECR-north</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Route miles*</td>
<td>10.6</td>
<td>48.8</td>
<td>13.4</td>
<td>72.8</td>
</tr>
<tr>
<td>PAS car miles 2014#</td>
<td>79841</td>
<td>226578</td>
<td>1143</td>
<td>307561</td>
</tr>
<tr>
<td>PAS cars**</td>
<td>3766</td>
<td>2322</td>
<td>43</td>
<td>###</td>
</tr>
<tr>
<td>Amtrak cars 2014+</td>
<td>4380</td>
<td>4380</td>
<td>4380</td>
<td>4380</td>
</tr>
<tr>
<td>Amtrak car-miles</td>
<td>46428</td>
<td>46428</td>
<td>46428</td>
<td>46428</td>
</tr>
<tr>
<td></td>
<td>NECR-south</td>
<td>NECR-middle</td>
<td>NECR-north</td>
<td>Total</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------</td>
<td>-------------</td>
<td>------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Total segment car miles##</td>
<td>426,957</td>
<td>1,872,545</td>
<td>571,500</td>
<td>2,871,002 or 2,796,009 (add)</td>
</tr>
<tr>
<td>NECR car miles++</td>
<td>300,688</td>
<td>1,599,539</td>
<td>523,929</td>
<td>2,424,156 or 2,442,020 (adding)</td>
</tr>
<tr>
<td>NECR carloads ***</td>
<td>13725</td>
<td>15860</td>
<td>18919</td>
<td>###</td>
</tr>
</tbody>
</table>

* From D.Ebbrecht, NECR president, statement pages 2-3.
# From table in 1.A, which counted Pan Am cars from the amounts billed to Pan Am under the existing TO (assume cars were billed whether loaded or empty). Locomotives were also counted as cars. {Ebbrecht page 5}
** Divide car miles by route miles. Divide by 2 to get loads.
+ Ebbrecht (page 5) assumed the Vermonter ran with 5 cars plus one locomotive, 1 round trip a day on the line, 365 days a year. (What is Amtrak paying per car-mile. Amtrak declined comment. {email to ANR&P 16.June.15})
## Per table in 1.A, Pan Am accounts for 18.7% of the car miles in NECR-south. So 79841 = 18.7% of Total Car Miles, which yields 79841/.187 = Total car miles. Similarly for other two columns. For the total over the whole line, we get different results by adding the first three columns, or by dividing the Pan Am total by the Pan Am percentage.
++ Subtracting the Pan Am and Amtrak car-miles from the Total yields the NECR car miles. For the total over the whole line, we get different results by adding the first three columns, or by subtracting the Amtrak and the Pan Am total miles from the Total Segment Car Miles.
*** 'With respect to the NECR portion of usage, we could only track cars that produced revenue. We assumed that each loaded car returned empty (i.e, we doubled the car miles of the loaded cars), and added in additional car miles for the estimated number of locomotives based on our operating plan.' {Ebbrecht page 5}

Let N = number of NECR loads on the segment in 2014.
N*2 = Number of loaded and empty cars.
Assume 1 locomotive needed for 30 cars. So N*2/30 = number of locomotives used on the segment.
Total cars then equals N*2 + N*2/30.
Total NECR car-miles (TCM) = 10.6*31*N*2/30. TCM*30/62*10.6 = N. Similar calculations for the other two columns.
### These figures are much less meaningful than the segment numbers, presenting only an average carload number over the entire line, and thus are not calculated.

### MDOT – MERR: ROCKLAND BRANCH RFP

16 June, Augusta. **MDOT ISSUED THE RFP FOR 'ROCKLAND BRANCH' AND 'BRUNSWICK YARD' FOR PASSENGER SERVICES OR FREIGHT SERVICES OR BOTH.** 'The Maine Department of Transportation ("MaineDOT") hereby requests proposals from shortline rail operators and other interested parties to operate and maintain the Brunswick Yard in Brunswick and the Rockland Branch rail line between Brunswick and Rockland, Maine [for a ten-year period].

'The Brunswick Yard and the Rockland Branch are owned by the State of Maine. Brunswick Yard runs 1.42 Miles (CPL15-CPL17), Rockland is 56 miles from Brunswick on the right (east) leg. Freight traffic is interchanged in Brunswick with Springfield Terminal Railway Company ("ST"), the operating entity of Pan Am Railways (Pan Am).

'... Pan Am has freight operating rights in Brunswick Yard. ... Amtrak Downeaster Passenger rail service between Portland and Brunswick operates over the Brunswick Yard in Brunswick between CPL15 (East side of Church Road) and a new Brunswick passenger rail station ("Brunswick Station") located at CPL16.

'Pan Am has freight operating rights between Railway Mile 29.40 and Railway Mile 33.79 (east of Hardings Siding) [a Bath Iron Works satellite plant which receives all flatcars of steel – editor].

**Dragon freight rights; other customers**

'Dragon Products Company, Inc. holds a non-exclusive license to use a segment of the Rockland Branch under certain circumstances. ... Significant current freight customers on the Rockland Branch [consist of]:

- Bath Iron Works Hardings Plant (in Brunswick) (an ST customer [but served currently by MERR – editor])
- Dicaperl Chemrock (in Thomaston)
Passenger services separate or combined

In addition to proposals to operate Freight rail service, MaineDOT is seeking proposals from passenger operators for ADA-compliant passenger operations over the above referenced section of the Brunswick Yard and Rockland Branch. These can be from the Freight operator or from passenger operators submitting proposals partnering with a Freight operator or for independent passenger operations that will coordinate with the selected Freight operator. Proposals for passenger operations can include any or all of the following options:
- Seasonal or year-around scheduled passenger operations connecting to Amtrak Downeaster service  
  Note: Scheduled service to Rockland is favored. See next section.  
- Seasonal passenger excursion operations connecting to Amtrak Downeaster service  
- Seasonal and/or charter excursion operations.'

Coordination among Amtrak, freight operator, and passenger operator
'The freight operator selected by MaineDOT to maintain, and to operate freight rail service over, the Brunswick  
Yard and the Rockland Branch is encouraged to submit a proposal for the operation of scheduled passenger rail  
service between Brunswick and Rockland. Moreover, one criterion by which proposals submitted in response to  
this Request for Proposals will be evaluated will be Respondent's experience operating scheduled passenger rail  
service.

'This being said, Operator must be committed with NNEPRA and to the success of the scheduled  
passenger rail service between Boston, Portland and Brunswick and as well as Brunswick and Rockland. In  
addition, Operator must be willing to agree at the outset to the contractual framework within which these  
services, if operated by others, will operate.'

Freight-only proposals must price passenger service charges
'In order to complete the remainder of the contractual framework within which scheduled passenger rail services  
will operate, Respondents operating only Freight service should include in their proposals:

1. Proposed per-unit-mile track charges to be paid by each PSO [passenger service operator] to Operator in light  
of Operator's maintenance of the Brunswick Yard and the Rockland Branch (which track charges are intended  
to be based on the incremental cost associated with the operation of passenger services);

2. Any and all other proposed charges to be paid by each PSO to Operator for services rendered by Operator;

3. A proposed framework for the allocation of liability between Operator and each PSO, giving due regard to  
   the liability limitation specified in 23 M.R.S.A. § 8012;

4. Proposed insurance coverage for each PSO to maintain, bearing in mind that each PSO will be required to  
   maintain the liability insurance specified in 23 M.R.S.A. § 8012; and

5. a proposed framework for reaching agreement with each PS0 on all other matters necessary and appropriate  
   for the operation of passenger rail service.

Any failure by Operator to comply with its commitments pertaining to passenger rail service will constitute a  
default by Operator, for which MaineDOT may terminate its contract with Operator and pursue any and all legal  
and equitable remedies that may be available.'

Scoring of proposals
'Proposals will be evaluated by representatives of MaineDOT/NNEPRA based on the following weighted  
criteria:
- Respondent's operating and management experience, available expertise, and overall ability to perform the  
services described in the proposal (35 points)  
- Cost/revenue to MaineDOT (20 points)  
- Terms for accommodating passenger service operators (15 points)  
- Respondent's financial condition (10 points)  
- Maintenance proposal by Respondent (10 points)  
- Operating equipment being provided by Respondent (10 points).'
Schedule for action on proposals
Inspection trips, ‘if necessary’, will occur on 14 and 15 July. Parties may use their own hi-rail vehicles or arrange with MDOT to use one of the department's. Respondents must submit proposals by 13 August. {proposal on MDOT website}

CSXT: NEW CUSTOMER
11 June, Boston-Springfield. **THE FY16 MASSDOT BUDGET INCLUDES THE CONSTRUCTION OF RED LINE AND ORANGE LINE SUBWAY CARS IN SPRINGFIELD.** {text of budget document at MassDOT website} The contract was awarded to a Chinese firm in October 2014 [see 14#10A].

Purchase of construction site
In April, railroad car builder CNR Changchun Railway Vehicle purchased for $12 million the 40-acre site on Page Boulevard formerly occupied by Westinghouse, and served by CSXT. CNR expects to begin construction of its $60 million railroad car factory in the spring of 2016, complete it in autumn 2018, and start production of new Red Line and Orange Line cars for the MBTA in January 2019, said Lydia M. Rivera, a spokeswoman for CNR Changchun and its CNR MA operating unit.

The Page Boulevard complex will include a 200,000SF factory, a 2,240-foot-long test track, as well as engineering, research and development, and administrative offices.

Massachusetts went without federal funding on the project, part of $1.3 billion in equipment and facility improvements to the MBTA, in order to require that the assembly work take place in Massachusetts. {Jim Kinney in Springfield Republican 11.April.15}

Hyundai opposition dismissed
On 27 May a state superior court denied the request of Hyundai to enjoin the award of the contract to CNR. The lawsuit continues, however. {Jim Kinney in Springfield Republican 28.May.15}

**MASSDOT: RAIL BUDGET**

26 May, Boston. **RAILROADS IN THE STATE SHOULD APPRECIATE THE DEPARTMENT'S 'FY2016 DRAFT CAPITAL INVESTMENT PROGRAM'** which provides – if passed – substantial dollars for the state-owned lines over which they operate. {MassDOT website}

*HRRC and MassDOT need to take the next step in STB approval of MassDOT’s acquisition of the real property [see 15#05B]. HRRC has not returned repeated requests for comment

**Investment description**

<table>
<thead>
<tr>
<th>Description</th>
<th>16</th>
<th>16 bond cap</th>
<th>17 + beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine Transportation Capital Reinvestment</td>
<td>500,000</td>
<td>500,000</td>
<td>750,000</td>
</tr>
<tr>
<td>PRIA: Springfield</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>12,500,000</td>
</tr>
<tr>
<td>PRIA: Vermont</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>4,150,000</td>
</tr>
<tr>
<td>Fall River - Limited Track Rehabilitation</td>
<td>750,000</td>
<td>750,000</td>
<td>-</td>
</tr>
<tr>
<td>Fall River - Wharf Yard and Runaround (South Extension)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Watuppa Line (Dartmouth) Track Rehabilitation (MP 0.20 - MP 10.66)</td>
<td>900,000</td>
<td>900,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Ware River Secondary Line - Palmer - Barre Track Safety and Rehabilitation</td>
<td>300,000</td>
<td>300,000</td>
<td>-</td>
</tr>
<tr>
<td>Cape Cod &amp; Southeast Mass Rail Lines Additional Track / ROW &amp; Grade Crossing Improvements</td>
<td>150,000</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Berkshire Line - Emergency Bridge Repairs &amp; Bridge Monitoring</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td>Berkshire Line - Basic Track Rehabilitation (37 miles)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Engineering Task Order Contracts</td>
<td>750,000</td>
<td>750,000</td>
<td>17,500,000</td>
</tr>
<tr>
<td>Field Inspection and Design Task Order Contract</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Ballast Cars -- Purchase</td>
<td>100,000</td>
<td>100,000</td>
<td>3,100,000</td>
</tr>
<tr>
<td>Ballast Cars -- Lease</td>
<td>108,000</td>
<td>108,000</td>
<td>109,000</td>
</tr>
<tr>
<td>Acquire &amp; Fit Out SE Mass Maintenance Facility (Rochester)</td>
<td>150,000</td>
<td>150,000</td>
<td>-</td>
</tr>
<tr>
<td>Capital Repairs/improvements So Deerfield Maint. Depot</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
</tr>
<tr>
<td>Freight Rail Inspection and Heavy Repair - Middleboro Secondary</td>
<td>500,000</td>
<td>500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Freight Rail Inspection and Heavy Repair - Framingham Secondary</td>
<td>500,000</td>
<td>500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Industrial Rail Access Program</td>
<td>2,500,000</td>
<td>2,500,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Framingham Secondary - Track Rehab Framingham to Walpole (18 miles)</td>
<td>2,000,000</td>
<td>2,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Framingham Secondary - Rebuild Track Walpole to Foxboro</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Framingham Secondary Walpole Interlocking Modifications</td>
<td>500,000</td>
<td>500,000</td>
<td>-</td>
</tr>
<tr>
<td>Falmouth Depot</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Grade Crossings - FHWA Section 130 Crossing Safety funds</td>
<td>9,000,000</td>
<td>9,000,000</td>
<td>-</td>
</tr>
</tbody>
</table>

$ 30,458,000 $ 21,458,000 $ 63,859,000

**PO Box 357 Freeport, Maine 04032**
**Vox (207) 865-2922 Fax 866-484-4490**
Chalmers (Chop) Hardenbergh, publisher and editor
**e-mail: editor@atlanticnortheast.com**
**www.atlanticnortheast.com**

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

**Frequency and the e-bulletin**

*ANR&P* appears weekly. We send a formal issue twice a month, via post or e-mail. Between the formal issues, we send out the *e-bulletin*, only by e-mail. All information in the *e-bulletin* (often updated which is indicated by blue type), along with more articles with timely news, is included in the formal issue.

**Pricing**

Subscriptions cost $495 for professionals, $125 per year for students, young and old. (Add $100/year for print issue.) Introductory prices available. The *e-bulletin*, sent by e-mail as needed between issues, is free of charge to all subscribers.

**Advertising**

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

**Purpose**

*Atlantic Northeast Rails & Ports*, née *Maine RailWatch* (1994-1997) and later *Atlantic RailWatch* (1998-1999), is dedicated to the preservation and extension of the regional rail network. The editor believes that publishing news on railroads and ports spotlights needed action to preserve the rail network. The publication also imbues the region with a sense of an interdependent community, employing the network to move rail and port traffic. ‘No railroad is an island, entire onto itself.’