Upcoming deadlines: NHDOT RFP; MDOT RFP; Pan Am response to NECR.

MMA and correction: Burkhardt never “the” owner. At the time of Lac Megantic neither he nor his companies owned shares.

CSXT: Track condition south of Boston. Compare to Pan Am.

CBNS: Northern Pulp restart.


Halifax: Ship repair work highlighted.

CBNS: Still using Sydney shop for locomotive work.


Belledune: Another IAM location. Map.

Sydney: Reprise of skepticism.

SOME UPCOMING DEADLINES

NHDOT: MOUNTAIN DIVISION RFP
Due 17 August in Concord, for the line from Redstone to Gilman, Vermont.

MDOT: ROCKLAND BRANCH RFP
Due 13 August in Augusta, for the line from Brunswick to Rockland.

STB: NECR v PAN AM
Pan Am reply to NECR due 3 August in DC, on the trackage rights fee disagreement.

MMA: BURKHARDT INVOLVEMENT

Correction. In e-bulletin(z), I incorrectly stated that Burkhardt was the owner of the MMA. He explains:

Position with the railroad
Burkhardt served as chair of the board of MMA Railway 'throughout its existence.'

Ownership: none
Burkhardt's Rail World or its companies, as well as others, prior to 2013 did hold shares in MMA parent company MMA Corporation. 'At an earlier date, a Rail World company (Earlston Associates) was one of the shareholders, but those shares were disposed of in 2012. ...

'At the time of the derailment, neither I nor any of the Rail World companies held any shares in the parent, MMA Corporation.'

Financial involvement in the bankruptcy
While Burkhardt and Rail World held no ownership, 'the Rail World companies had substantial accounts receivable at the time of the bankruptcy that became uncollectible, totaling in the millions of dollars.'

Financial involvement in the disaster settlement
Burkhardt or his companies are making 'substantial contributions, in addition to substantial insurance proceeds.'

Insurance coverage as chair of MMA. 'First is Directors and Officers (D&O) coverage provided to MMA directors and officers under several insurance policies. As you are aware, a number of directors and officers have been sued, including me. Please remember that one doesn’t have to do anything wrong to get sued.

Rail World coverage. 'The second coverage comes from policies held by the several Rail World companies, and as you are aware, some of them have been sued as well. The fact of these suits is only distantly related, if at all, to the tragic accident at Lac Megantic. These are general liability policies, and also insurance on Rail World D&O’s.

'It’s very much to the interest of the insurance underwriters to pay cash in exchange for full release from any obligation they may have. Many of the claims that have been filed are completely without merit, and won’t hold water if they go to trial. For example, I am a part owner in a shortline railroad in Colorado, and that company (and its holding company) have been sued. But the bigger exposure often is legal costs, and the insurance companies have the obligation to fund the defense lawyers as well. This is why settlement is often preferable to continued litigation.' {e-mails to ANR&P 30 June 15}

CSXT: TRACK CONDITION SOUTH OF BOSTON

'The Framingham sub [sic actually 'Secondary' for CSXT, Framingham to Mansfield – editor] is currently FRA class 1 and will remain that way for the next year or so as some limited track improvements are undertaken. We are currently working on a single-year capital plan [see 15#06A] so I can’t predict when sufficient work will be completed to allow a Class upgrade.

'The Middleboro Sub [Attleboro to Middleboro – editor] is already running at 25-30MPH … for a lot of the route … specifically due to the track upgrade from back in the 1980s when a certain governor [Mike Dukakis – editor] began the track improvements trying to hold onto the Amtrak Cape Codder service. Those 30-year-old improvements are still paying back.

'On both these lines there are many civil speed restrictions. Some can be fixed but many will likely remain for the foreseeable future.' {e-mail to ANR&P correspondent Frank Demasi}
History and mileages
The 21-mile Mansfield & Framingham Railroad (Framingham Secondary) was built 1867-1870, became part of the Old Colony Railroad, and then part of the New Haven. It lost passenger service in 1933.

The 21-mile Middleboro Subdivision is composed of three segments of the New Bedford & Taunton Railroad. Attleboro to Attleboro Junction comprised the Attleboro Branch, 8 miles. The 5 miles from Attleboro Junction to Cotley Junction were part of the main line. The Middleboro & Taunton Branch ran 8 miles from Cotley Junction to Middleboro. {Ronald Dale Karr, Rail Lines of Southern New England 1995}

Compared to Pan Am
CSXT maintains the 21 miles of the Framingham Secondary at only FRA Class 1. For comparison, Pan Am maintains the 47-mile Waterville-Northern Maine Junction segment also at Class 1 [see e-bulletin(z)].

[Those who critique Pan Am's slow track should perhaps rethink their position. Editor]

CBNS: NORTHERN PULP RESTART
28 June, Abercrombie Point. THE PULP MILL HERE RESTARTED WITH THE PERMISSION OF THE PROVINCIAL DEPARTMENT OF ENVIRONMENT. In a press release, the department stated:

'The new precipitator is expected to reduce emissions at the mill. There will be a commissioning phase where the new equipment is fine-tuned, which is expected to be finished by Oct. 16. Once complete, the mill must then comply with the new emissions limit outlined in the 2015 industrial approval, which is almost 80 per cent lower than the old one. The order formalized requirements to restart production at Northern Pulp. The plant shut down operations on May 30.' [See 15#05B.] {text; Truro Daily News 30.June.15}

CBNS serves the mill [see map 09#04B].

GU: TANKS ARRIVE, STILL RESISTANCE
27 June, Grafton. THE TOWN OF GRAFTON SEEKS A CONSULTANT TO ANALYZE THE GU SAFETY PLAN FOR THE PROPANE FACILITY. As well, the consultant should tell 'What could happen? And percent of risk. … And evaluation of risk – Include homes and other community assets.'

Fourth and last tank
This reached North Grafton by rail on 26 June. {posted on Friends of the G&U Facebook page}

Rising legal bills
On 17 June, the Town's Finance Committee approved an additional $20,000 in legal fees to fight the GU facility. Attorney Ginny Sinkel Kremer has billed over $100,000 in the legal contest.

Committee member Don Davidson said at the meeting: “I'm opposed to this. I think this whole thing is quixotic. All I hear is the sound of flushing toilets and money escaping.” Nevertheless, the Committee voted 6-2 to pay the bill. {Richard Price in Grafton News 25.June.15}

First Circuit appeals
On 15 June the First Circuit agreed to hear argument on the same day, 28 July, of the Town of Grafton from the STB decision permitting GU to go ahead with the propane facility, and the six citizens of Upton appealing the STB decision deciding not to interfere with activity at the West Upton rail yard. {court website, cases 14-2067 and 15-1069}
HALIFAX: SHIP REPAIR CUSTOMERS
2 July. **IN A MID-YEAR UPDATE, PORT AUTHORITY PRESIDENT KAREN OLDFIELD CALLED ATTENTION TO A NEW SECTOR.** Interestingly, one of the significant opportunities we have identified is technical ship maintenance and repair.

'The new Richmond Terminal is perfect for this and has been utilized for just this purpose over the winter months. Since the first vessel call in October of 2014, the new Pier 9C at Richmond has seen 144 days of berth utilization to June 30. This includes traditional berthing, vessel repair calls, special projects and five significant heavy-lift cargo moves. In addition, a portion of the open area at Pier 9C is now under long-term lease to a company involved in offshore exploration, and the new 75,000 sq. ft. shed continues to provide flexibility for our customers.' {e-mail to interested parties}

CBNS: LONG SHOP LEAD
26 June, Sydney. **THE RAILWAY IS USING THE SHOP IN SYDNEY STILL,** though freight service ended in December. Rail observers report two locomotives came down for servicing this day and are now inside the Sydney shop. Locomotive 6913, in the shop for two months left the same day.

As one wag wrote: 'Surely, a record length for a shop lead track?' {Atlantic Rails}

MASSPORT-CSXT: MARINE TERMINAL DEAD?
18 June, Boston. **CARGO VENTURES WILL SUE MASSPORT IF IT CANNOT PURSUE ITS PLANS FOR A COLD-STORAGE SEAFOOD PROCESSING FACILITY,** according to a letter to Massport CEO
Thomas Glynn. [See map for location of 'Boston Cargo Terminal', the site in question, aka 'Massport Marine Terminal'.]

**Background**

Massport controls the parcel through a long-term lease from the City of Boston, expiring in 2070. In 2005, Massport awarded Cargo Venture a ten-year period to develop the property [see 05#06B].

In 2007, the Boston Redevelopment Authority approved Cargo Venture's plan as 'Marine Terminal Development' for three buildings and a bulk facility to import and export concrete materials [see 07#10B].

**Failure to complete the project**

Glynn later told the *Boston Business Journal* that Massport's board of directors, initiated by its real estate committee, pulled the plug on Cargo Ventures when its contract expired 31 January. Glynn said the agency no longer had faith in Cargo Ventures' ability to execute its plan.

He also said that Cargo Ventures' more recent development proposal for the site included too many non-maritime uses for a parcel that is bound by maritime regulations. Further, Massport has made five contract amendments and gave 12 contract extensions since it selected Cargo Ventures’ bid in 2005, said Matthew Brelis, a spokesman for Massport.

Cargo Ventures contends that Massport pulled the plug without warning, and that the agency was working with Cargo Ventures and its development plans as recently as this year, according to the letter to Glynn from Cargo Venture's attorney at DLA Piper. The letter notes that Cargo Ventures has invested more than $8 million in the site, which includes $2.6 million in pre-construction payments made to Massport.
Glynn said he expects to issue a new RFP for the site later this summer.

**Tie-in with Boston Olympic bid of 2024**

In late 2014, Boston 2024, the city's local Olympics organizing committee, floated the terminal site as a possible re-location site for the New Boston Food Market. Currently at South Boston’s Widett Circle [see map], the cooperative New Boston Food Market owns the land where Boston 2024 is considering for an Olympic stadium should Boston win the bid for the Games. Boston 2024 may want the Market shifted to the Massport Marine Terminal site.

Also at Widett Circle, Patriots owner Robert Kraft, who also owns the soccer team New England Revolution, reportedly wants to build a soccer stadium at the Municipal Tow Lot. Celtic Recycling in 2013 wanted to site a rail-served transfer station inside the Circle at the Americold lot [see 13#11B].

According to sources close to the North Jetty project, Suffolk Construction, whose founder John Fish is one of the original Boston 2024 organizers, already has put millions of dollars in steel at the North Jetty site. {Mary Moore in *Boston Business Journal* 26.June.15; Callum Borchers in *Boston Globe* 2.Dec.14}

**Rail and Track 61**

'CSX has operated the Track 61 in the past. MassDOT is in the process of acquiring this portion of the track from CSX, which will open new opportunities for the state to contract with a short-line operator to work the track in response to increasing customer demand. {page 4}

'Massport anticipates that two 13-car freight trains can exit South Boston per day, 300 days per year. Assuming that four trucks carry the same cargo volume as one rail car, these 7,800 rail cars per year divert 31,200 truck trips per year.

'Without these critical investments in Boston’s break bulk handling capabilities at the North Jetty, this freight volume—as much as 700,000 tons per year—would otherwise be offloaded in other ports and trucked to Boston. To reach the New England market, Massport estimates that this freight would otherwise be diverted to break bulk facilities in New York/New Jersey (53%), Portland (31%), New Haven (11%), and Bridgeport (5%). {page 18}

**Rail tie-in – mini guest editorial**

The massive construction in South Boston has preserved Track 61. Depending upon the type of activity ultimately occurring at the 'Boston Cargo Terminal', a freight rail service may emerge on Track 61.

**Proposal in TIGER II.** Track 61 was featured Massport’s 2010 TIGER II $19.5 million proposal ‘North Jetty Berth Reconstruction and Track 61 Rail Extension project.’ Of that, Massport was seeking $14.5 million from USDOT and did not get it. Cargo Ventures would have supplied $5 million of the match.†

The project would have reconstructed approximately 1,000 linear feet of bulkhead and berth apron at the North Jetty and rehabilitated and constructed 8,000 linear feet of Track 61, all of the track shown including the extension to the Terminal. TK Dyer/HNTB did a conceptual design, and Vanasse Hangen Brustlin, Inc. did a preliminary-final design under separate contracts, both funded by MassDOT under the Massachusetts rail grant.

† The other five New England states did get money in TIGER II. See 10#10A Regional.
Still a good idea. If a developer creates a break-bulk facility on Boston Harbor, avoid trucking such freight to Boston from New York, Maine, or Connecticut, it would save the equivalent of 31,200 truck trips per year over the Commonwealth's already overtaxed highway system [see box].

In view of the multi-million dollar outlays for harbor dredging, new rubber-tired mounted gantry cranes, and extension of the Conley Terminal footprint through recent land acquisitions, MassDOT and Massport should fund the basic, comparably small, capital outlay to extend Track 61 and rebuild the North Jetty. This will jump start private sector development at the Port of Boston and the Boston Marine Industrial Park.

Track 61 could also serve as a passenger link to the national and local passenger rail network as part of accommodation for the Boston Convention Center expansion and the Olympic Games. {special to ANR&P from Frank Demasi 1.July.15}

MAINE RAILROADS & PORTS: NO BIOMASS FOR BURNING
23 June, DC. **FOURTEEN CONSERVATION GROUPS URGED THE WHITE HOUSE TO ELIMINATE BIOMASS ENERGY AS COMPLYING WITH EPA’S CLEAN POWER PLAN.**

Under the Clean Power Plan, states have the option of using renewable energy like wind and solar to reduce emissions of pollutants like carbon dioxide.

**Wood-burning worse than coal**
'Power plants burning wood and other forms of biomass emit about 3,000 pounds of CO2 per megawatt-hour — an emissions rate that is approximately 50% higher than that of a coal-fired power plant,' the letter noted. It said the EPA has not identified any scientifically rational basis for treating biomass energy as a means of emissions reduction under the Clean Air Act.

The EPA cannot simply leave it to the states to make hard decisions about how to calculate the climate-change effects of biomass energy, because this could result in inconsistent carbon accounting methods for similar facilities. Finally, although the EPA has proposed allowing “sustainably harvested” forest wood to be used as fuel under the Clean Power Plan, the groups note that forest sustainability standards do not address carbon balance.

**Legislating the laws of chemistry**
The letter appeared while as a rider to an appropriations bill moving through the House and Senate would force the EPA to treat biomass as having zero CO2 emissions as long as forest carbon stocks are stable or increasing. This directly contradicts current science, including a report by the EPA’s own Science Advisory Board panel on biomass energy.

“Forests are our most important carbon sink, with new growth taking up over 13% of U.S. emissions per year,” said Mary Booth, director of the Partnership for Policy Integrity. “There’s really no better way to sabotage the Clean Power Plan than by burning up the forest carbon sink in power plants and then forcing EPA to treat the electricity generated as if it has zero emissions.”

**Wood pellet industry adding to climate change**
“The wood pellet industry is already clearcutting bottomland hardwood forests in the Southeast to fuel European power plants,” said Danna Smith, executive director of Dogwood Alliance. “If U.S. utilities are allowed to burn wood under the Clean Power Plan, it will accelerate carbon emissions and decimate our last remaining native forests, all in the name of ‘clean energy.’ ” {Center for Biological Diversity press release 23.June.15}
WOOD CHIPS BY RAIL BECOME PAPER

Rail observers report railcars of chips moving from Maine to New Brunswick on NB&M every day: 20-30 cars. For example, on 24 June, a 62-car train eastbound to Saint John pulled by three locomotives had 33 wood chip loads. On 30 June a 58-car eastbound also had 33 wood chip loads. {RailsNB e-list}

Origin
Mary Keith, spokeswoman for JD Irving, wrote on 25 June: ‘Rail affords a cost-efficient means to move chips to pulp and paper mills in Maine as well as New Brunswick while reducing our carbon footprint. Some of these chips are Canadian from the Saint Leonard sawmill but moving through the state on the rail line.

‘There are also chips originating from Ashland, both from the sawmill and the woodlands. … Chips are used by mills in Maine and New Brunswick.’ {e-mail to ANR&P}

Destinations
More particularly, said rail observers, the chips are used in Saint John by three mills: Irving Tissue and Irving Pulp and Paper share a huge pile at the Reversing Falls. Irving Paper, on the East Side next to Irving Oil, has its own chip pile. Both piles have both railcar and truck unloaders. [See map.]

WOOD PELLETS BURN – BUT NOT FROM MAINE

Unlike the chips, wood pellet exports from Maine would be burnt to generate heat. However, neither the potential Eastport chip move or the Eastport pellet move [see 15#05B], nor the Searsport pellet move [see 14#12B], has begun.
SAINT JOHN: NEW CUSTOMER

29 May. **IAM BUILDING SYSTEMS AND THE PORT AUTHORITY SIGNED A 20-YEAR LEASE ON SHED D.** Renovation of the Shed and new construction in the same area will make the location into a facility producing pre-fabricated buildings to be shipped by container from the Port. Initially, they will go to Jamaica under a significant long-term contract to supply pre-fabricated homes, translating into thousands of containers a year.

IAM’s expertise combines over 20 years of experience, capabilities and success to provide solutions-based modularly constructed buildings utilizing structural, light gauge steel (LGS) framing and exterior grade cement board and other suitable materials.

“As IAM Building Systems expands its business we needed to find a location that had a reach into the Caribbean market with regular container service with the added flexibility of handling breakbulk cargo,” said Kevin Surette, IAM president. “The team at Port Saint John worked with us to understand

IAM Jamaican Sugar Cane housing. {IAM website}
our business model and expansion needs and were an integral part in coming up with our long-term plan.

This plan included integrating our new facility with current offices in Moncton and our manufacturing facility at the Port of Belledune, creating a 100% New Brunswick operation and solution.”

The renovation of Shed D, located on the West Side of Port Saint John, starts immediately. {Port Authority press release}

Possible rail
Lauren Oickle, IAM business development coordinator, said on 2 July that manufacturing in Saint John and Belledune are “very similar.” The Saint John facility will create kits for Jamaica, which fit two in a container. When IAM lands contracts for other southern areas such as the United States, or western Canada, the Saint John facility will produce those. “We have a rail potential out west.” {ANR&P discussion}

BELLEDUNE: IAM BUILDING TOO
2 July. **IAM BUILDING SYSTEMS MANUFACTURING IS “VERY SIMILAR” IN SAINT JOHN AND BELLEDUNE**, said Oickle.

Belledune manufacturing occurs in the Belledune Port Authority's 'Belledune Modular Fabrication Facility' at 20 Green Lane. Its product moves by barge. Starting in 2016, IAM has a major contract for modular buildings in Labrador. {ANR&P discussion}

**SYDNEY: STILL SKEPTICISM**

*With the arguing in Sydney about who should market the potential container terminal, and who should govern the port facilities, the below except from October 2014 is worth reconsideration, especially since it refers to the Philadelphia connection.*
20 October 2014. **NEITHER MELFORD NOR SYDNEY CAN BECOME Viable.** In a newspaper interview, Neil MacNeil, former president of Canada Ports Corporation and former executive director of Transport Canada’s harbours and ports division, doubted either Melford or Sydney would become a viable container port, and whether Halifax could grow.

The United States has the market. MacNeil, who grew up in Whitney Pier, Cape Breton, said on 20 October about 23 shipping lines service North America, “and none of those guys are looking at anywhere in Canada. They’re not looking at Montreal expansions or Halifax expansions or anywhere else. There’s been such a build-out in the U.S. that they have excess capacity at their terminals, they’ve got lots of rail lines, and that’s where the market is....

“If you look at container operations since 2008, and the projections right now from the American Association of Port Authorities, which Canadian ports belong to, by 2020, there’s no likelihood of development.

“If you’re moving a container of hockey pucks out of Poland to Toronto, chances are you’re going to go through New York and rail it up to Toronto, or through Norfolk.

“Prior to 2008, a container from northern Europe to North America could be about $1,800 to $2,000 a lift. Now it’s down to $800 and it’s because the ships aren’t hauling 4,000 containers, they’re hauling 8,000, and with economies of scale, they’ve driven the price down and they’re cutthroat as hell.”

Sydney cannot succeed. Most goods coming into Halifax already head to New York, Chicago or Atlanta, said MacNeil, and shipping in Halifax is down. As well, the Maher Melford Terminal in the Strait of Canso hasn’t opened yet.

One of the benefits being touted in Sydney is the lack of bridges leading into port, making it easy to accommodate the largest ships. With major ports in the United States spending on infrastructure to accommodate those ships, any perceived incentive to sail into Sydney Harbour is gone, said MacNeil.

“The idea of bringing a vessel in here, dropping off 4,000 boxes, putting them on a container ship to bring it down to Philadelphia or something, it doesn’t make any sense at all,” he said.

CBNS line insufficient. MacNeil, who sits on the provincial Ministers Rail Advisory Committee, also said the current rail line across Cape Breton is insufficient for a container terminal and would require millions, possibly hundreds of millions, of dollars in upgrading. “My background is in ports, and you can’t run a viable port without rail. If you look at the most successful ports, they have two or three rail lines.”

Cape Breton has one line, and the St. Peter’s subdivision is in bad shape, he said. It’s also a less direct connection to other rail lines across North America. “We’re a long way from the market.” {Tom Ayers in Halifax Chronicle Herald 21.Oct.14}

**But there’s this: megaship congestion**

Melford and Sydney proponents have argued that they can serve to relieve congestion at the larger ports. That congestion is arriving. "The arrival of mega-ships is having a profound effect on port operations at all major U.S. gateways, but the biggest impact by far in terms of congestion is being felt in the two largest port complexes, Los Angeles-Long Beach and New York-New Jersey." {Journal of Commerce 2.July.15}
e-bulletin
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

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