*Article unchanged from e-bulletin.
++Blue type in article: changes from e-bulletin.

Blue header & table of contents: new article

REGIONAL


NEW YORK

NYOG: New customer Maxam North America.**

NS-CP: STB denies James Riffin's motion to compel discovery.*

NS-CP: Cutover scheduled for 18 September.

Albany & SNC: Rates to move tailings not yet nailed down.*

SNC & car storage: SNC may store obsolete tank cars up toward Tahawus.*

QUÉBEC & CONNECTICUT

[No report.]

MAINE

MDOT-MERR: Two bids for Rockland Branch.

Pan Am: Moark feed mill sold.

Pan Am: Will remove signals east of Waterville.

MMA: The bankruptcy estate wants to abandon 5.5 acres containing old creosoted ties.


CMQ: LMS, the transload, for sale by Rail World.

MASSACHUSETTS

MC: Assumes maintenance and dispatching of Framingham Secondary.*

CSXT: North Brookfield still pursues its railroad. Bigda still interested.*

NEW HAMPSHIRE

NHDOT: Granite State, Morton win road salt bids.

NHDOT state lines: A few questions and answers two weeks before the due date for proposals.

NECR-CCTR: NECR files for acquisition of “lines”.

Map and discussion of White River Junction.

RHODE ISLAND

[No report.]

VERMONT

VAOT-SLR-Pan Am: VAOT draft rail plan. Analysis of numbers yields rough breakout of 2011 SLR and Pan Am overhead traffic.

MARITIMES

[No report]

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

AC Jacobs

FROM THE PUBLISHER

Figures lie, and liars figure?
The carload numbers for Pan Am and SLR derived from the Vermont Rail Plan for 2011 are, of course, my complete responsibility. They certainly fit with numbers reported earlier here.

- Chop Hardenbergh Next formal issue 2 Sept.


 REGIONAL

SLR: RECENT CAR COUNTS

15 August, Northeast Kingdom. **RECENT CAR COUNTS WESTBOUND SHOW SLR MOVING AT LEAST 40 CARS PER TRAIN.** The figures aided in the deciphering the SLR overhead traffic in Vermont [see Vermont].

Caveats: The totals in the last column are based on only seven trains, counted in only one season (summer). Moreover, your editor is comparing 2015 carloads from the table with 2011 statistics from the 2011 STB carload sample [see Vermont].

Since only westbound carloads are counted, your editor has assumed that all empties return. Thus empty boxcars westbound were loaded eastbound; empty chemical cars westbound were loaded eastbound; and so forth.

Annual traffic counts

<table>
<thead>
<tr>
<th>Car Types</th>
<th>Origin</th>
<th>Destn</th>
<th>7/3/15</th>
<th>7/10/15</th>
<th>7/14/15</th>
<th>7/16/15</th>
<th>7/25/15</th>
<th>7/28/15</th>
<th>8/11/15</th>
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<th># Cars</th>
<th>Cars/Train</th>
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<td>7</td>
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<td>0</td>
<td>7</td>
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<td>1</td>
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<td>5</td>
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<td>18</td>
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</table>

Total: 85 68 72 43 54 57 68 7 447 64 16,603

Pulp and paper. If the westbound loaded boxcars contain pulp and paper, the summer 2015 car count would indicate SLR originates in Maine 3,714 carloads per year. At 100 tons per car, that comes to 371,400 tons per year. [In 2004 some of that was moving from Cascades Auburn Fiber to Richmond, Quebec – see 04#10B.]

Chemicals. If every empty arrived in Maine loaded, SLR brings in 3,120 carloads. This is consistent with the 2007 Safe Handling total of about 4,000 per year [see 07#12B]. At 100 tons per car, that comes to 312,000 tons.

Propane. Eight cars per train totals 2,080 carloads per year, at 100 tons per car comes to 208,000 tons. {car counts supplied by Vermont correspondent}

CBNS v PAN AM? CROSS-BORDER PAPER SUBSIDY?*

4 August, DC. **THE US DEPARTMENT OF COMMERCE RULLED NOVA SCOTIA WAS ILLEGALLY SUBSIDIZING PORT HAWKESBURY PAPER.** The Coalition for Fair Paper Imports, made up of Madison
Paper Industries in Madison, Maine [formerly served by Pan Am – see 13#11B] and Verso Paper, with mills in Jay, Maine and Minnesota, filed the complaint.

The Nova Scotia mill will have to pay a 20% tariff beginning as early as 10 August. Only eight mills in North America produce supercalendered paper, and only two in the United States: Madison and Verso in Duluth. Madison produces about 200,000 tons, Port Hawkesbury produces about 360,000 tons.

Comment
The decision is ‘critical for the workers at the Madison mill and other paper mills in the United States,’ said Michael Croteau, president of the United Steel Workers Local 36, the union at Madison Paper, in a 5 August press release. ‘We don’t want to see more lost jobs in this country caused by unfair imports, and this preliminary decision is a good step in preventing that.’

Russ Drechsel, Madison general manager, said on 5 August: ‘We believe the Department of Commerce conducted a responsible, thorough preliminary investigation and correctly concluded that certain Canadian producers of supercalendered paper — principally Port Hawkesbury Paper in Nova Scotia — have received unlawful subsidies.’

[Marc Dube, development manager for Port Hawkesbury Paper, said the company plans to fight the decision calling it “without merit and is unfair to other Canadian mills in addition to ours.” {Halifax Herald cited by Sentinel}]

Subsidies since 2012
In 2012, the Port Hawkesbury mill was sold by NewPage to Vancouver-based Pacific West Commercial Corporation, and re-opened with $125 million through Nova Scotia’s Jobs Fund and the province’s Department of Natural Resources [see 12#09B].

The province also invested $36.8 million to keep the mill in a “hot idle” state — open but not producing paper — during the transition to new ownership and to set up a Forest Infrastructure Fund to keep employees working in the forestry industry. {Rachel Ohm in Central Maine Morning Sentinel 5.Aug.15, citing a press release by US Representative Bruce Poliquin}
Saratoga & North Creek Railway

- **SNC**: Saratoga & North Creek Railway
- **CPRS**: Canadian Pacific

Connections: SNC with CPRS at Saratoga Springs

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thousands of tank cars taken out of service recently because of changes in safety regulations. Owners prefer to store them instead of retrofitting them to meet the new safety standards. If not eventually retrofitted, they will go to the scrapper, and not remain in storage indefinitely.

The cars may have a small amount of material inside them, which will require that hazardous materials placards be placed on them. But all will be inspected and some cleaned before being brought to the region, Ellis said. The cost to clean the cars, about $3,500 per car, may mean that not all will cleaned. Any fumes that remain will not be a hazard, and the tanks will be locked.

“There is no record of an empty car having any problems with nothing inside,” he said. But he “wouldn’t want to climb down into one and eat lunch.” No state or federal environmental approval was needed.

**Place of storage; income**

The cars will be stored on railroad sidings near the hamlet of Tahawus in Essex County, in a remote area near former stone and lead quarries in the town of Newcomb, well off travelled roads, in a region that is mostly wilderness.

The storage could create “seven-figure” revenue for SNC, said Ellis.
Comments
County supervisors, Corinth board members, and their municipal lawyers quizzed him on details, asking about cleaning, security, how long they would be stored, and the county’s liability.

Warren County supervisors tentatively approved the proposal, pending legal review, although County Attorney Martin Auffredou pointed out that the county’s contract with the railroad likely does not require any formal permission.

Newcomb Supervisor George Canon said he has a meeting planned with Ellis later this week to discuss railroad issues. “The first concern is to make sure there isn’t any environmental danger.” {Don Lehman in poststar.com 28.July.15}

**NS-CP: GOODBYE D&H SOUTH**
13 August, Montreal. **NS AND CP ’REMAIN ON TRACK’ TO CLOSE THE SALE ON 18 SEPTEMBER,** wrote CP spokesperson Marty Cej. {e-mail to ANR&P}

**Customer Station Bulletin**
**Sale of the D&H South / Vente de la ligne du sud de D&H**

Customer Bulletin – Sale of the D&H South

As you may be aware, Delaware and Hudson Railway Company Inc. (D&H), a subsidiary of Canadian Pacific, is in the process of selling its railroad between Schenectady NY and Sunbury PA (the “D&H South”) to Norfolk Southern Railway Company (NS). The map below identifies the territory subject to sale more specifically.

The sale is currently expected to close on Friday, September 18. As part of the transaction, CP will no longer have rights on NS between Buffalo, NY and Binghamton, NY to serve customers on connecting short lines. CP will also be terminating trackage rights beyond Sunbury to Bethlehem and Allentown PA among other points. NS will however, provide haulage for CP to the following Pennsylvania short lines:

- Reading & Blue Mountain Railroad at Taylor, PA
- Lycoming Valley Railroad, North Shore Railroad, Shamokin Valley Railroad, Nittany and Bald Eagle Railroad and the Union County Railroad at Northumberland, PA
- Delaware Lackawanna Railroad at Taylor, PA
- Luzerne and Susquehanna Railroad at Avoca, PA
- Lehigh Valley Rail Management LLC/Philadelphia Bethlehem and New England Railroad at Bethlehem, PA
- Steelton & Highspire Railroad Company at Harrisburg, PA

Due to the sale, new routes must be created for existing rate authorities for any traffic billed on or after September 19 to, from or through D&H South stations. CP will arrange to create new routes involving NS for all traffic originating on CPRS and destined to NS stations in existing rate authorities. NS will be creating new routes for traffic originating on NS. Most existing through rates will remain in effect. You should be aware, however, that while most base rates will not change at closing, fuel surcharge will be assessed based on the applicable provisions for any new route.

For all traffic originating on CP on or after September 19 and destined to or through stations on the D&H South, shipments will need to be routed CPRS – NS. CP and NS will use the gateways of Chicago, Buffalo and Schenectady for traffic to or from the D&H. If you require assistance in updating your shipment data, please contact Customer Service at 1-888-333-8111. If you require assistance in updating your billing information, please contact eBusiness at 1-888-333-8111 or eb_support@cpr.ca.

In general, the new gateways will be as follows:

- Between Quebec, the Maritimes and NY state north of Schenectady and NS: Schenectady, NY
- Between Ontario and Illinois and NS: Buffalo, NY
- Between Western Canada and the US west of Illinois and NS: Chicago, IL

There are a few exceptions to the above. For further information on the routes, please contact your CP representative or Customer Service. For traffic originating on NS on or after September 19, please contact your NS representative.

We will be providing further information as we get closer to closing. We look forward to serving your transportation needs. {text of bulletin}
NS-CP: PURCHASE OF D&H SOUTH*
10 August, DC. THE STB DENIED JAMES RIFFIN'S MOTION TO COMPEL DISCOVERY in the NS filing to acquire the D&H South lines from CP [see 15#05B].

"In his April 16, 2015 discovery request, Riffin seeks copies of six of the trackage rights agreements that pertain to trackage subject to D&H’s discontinuance notice; documents listing the number of trains per month that operated over the rail lines subject to the notice for the two years preceding D&H’s filing of its notice of exemption, along with various details about those trains, including the routes of each train, origin/destination information of each car, and shipper information; and interchange information at various points along the rail lines.'

The Board, in denying Riffin's motion, wrote: 'The source of Riffin’s speculation regarding continued local traffic on the lines—i.e., the fact that the record does not specifically describe certain interchange points and that D&H states that it continues to use trackage rights on other lines in Pennsylvania—is not sufficiently concrete or specific to justify delaying this discontinuance proceeding and requiring D&H to produce the documentation Riffin seeks. Thus, Riffin’s request will be denied.' {STB website, decisions page, Docket No. AB 156 (Sub-No. 27X)}

MAINE

MERR-MDOT: RFP RESPONSES
13 August, Augusta. MDOT RECEIVED TWO RESPONSES TO ITS RFP FOR THE ROCKLAND BRANCH, wrote MDOT rail chief Nate Moulton. {e-mail to ANR&P}

MERR General Manager Harmony Llanto declined to state whether it had submitted; earlier in 2015 she said the company would. {Stephen Betts in Bangor Daily News 14.Aug.15}

PAN AM: CUSTOMER SOLD
7 July, North Leeds. LEASES OF THE MOARK FEED MILL, AND OTHER MOARK HOLDINGS, WERE SOLD BY LAND O'LAKES to Hillandale Farms Conn, LLC, based in North Versailles, Pennsylvania. Moark asked the DEP to transfer its state permits to Hillandale.

In 2011 [see 11#11A], when Moark leased three chicken farms in Turner, Winthrop, and North Leeds as well as the feed mill from Jack DeCoster for 10 years with an option to buy, the Maine DEP had to approve the transfer of air, site location, solid waste and wastewater discharge to the operator. The Winthrop and Leeds farms were closed in 2013.

Legal problems
The Turner egg farm has had a long history under DeCoster, facing fines for cruelty to animals and unsafe working conditions.

This spring in Iowa, DeCoster and his son were sentenced to three months in prison and their former company, Quality Egg Farm, fined $6.8 million after a massive 2010 salmonella outbreak in Iowa that left thousands sick and lead to a recall of 550 million eggs.

Hillandale President Orland Bethel pleaded the 5th in front of a Congressional committee in 2010 as both he and Decoster ran farms in Iowa where the outbreak occurred. {Kathryn Skelton in Lewiston Sun-Journal 27.July.15 & 13.Aug.15}

PAN AM: TRAFFIC NORTH OF BENTON LOW
14 July, North Billerica. PAN AM APPLIED TO DISCONTINUE ITS TRAFFIC CONTROL SYSTEM NORTH OF BENTON, stating that:

6. ST is seeking approval for discontinuance for the following reasons:
6.1. No passenger rail service operates on the line.
6.2. The carrier desires to employ its resources more effectively elsewhere, rather than continuing the signal system
where it is not warranted.
6.3. Traffic volumes do not warrant a traffic control system.
6.4. There are no active interchange points on this portion of the main line.

7. The proposed discontinuance work will begin upon receipt of approval, and will be completed consistent with
favorable work schedules.
8. The proposed changes will be permanent, and will affect operations. Upon completion, operation over this
territory will be in conducted in accordance with NORAC Form D Control System, (DCS) rules.

The petition was filed with the FRA, which provided public notice of the 'proposed discontinuance is located on
the [Freight Main Line] between control point freight (CPF) main 66 at Milepost (MP) 65.50, in Hermon, ME,
and CPF-109 at MP 109.85, in Benton, ME. ...

'This territory is under direct control of the district one train dispatcher, located at PAR offices in North
Billerica.'

**Schedule**
The FRA notice stated: 'Communications received by September 14, 2015 will be considered by FRA before
final action is taken. Comments received after that date will be considered as far as practicable.' As of 17
August, no comments were posted. {www.regulations.gov, Docket Number FRA-2015-0073}

**MMA MAINE: ABANDON A PILE OF TIES?**

17 July, Portland. **THE MMA BANKRUPTCY ESTATE WANTS TO ABANDON A PILE OF OLD TIES ON
5.5 ACRES** in Northern Maine Junction [see map]. Trustee Robert Keach this day filed a motion to do so,
stating that

'Certain critical issues remained after the execution of the [Asset Purchase Agreement] which prevented
consummation of the Sale [to CMQ in 2014]. One of the issues remaining was the Purchaser’s environmental
concerns with the Hermon Parcel.

'The Hermon Parcel contains a pile of used railroad ties that may contain creosote and/or other
contaminants. The State of Maine Department of Environmental Protection (the “MDEP”) has raised concerns
regarding whether the Hermon Parcel poses long-term environmental risks because of the potential creosote in
the ties.

'To accelerate the closing of the Sale, which provided liquidity to the Debtor’s estate and helped sustain
MMA Canada’s business operations, the Debtor, MMA Canada, and the Purchaser reached an agreement to
resolve the remaining critical issues' in the 'APA Amendment [which] provided, inter alia, that the Sale would
exclude the Hermon Parcel due to the alleged potential long-term environmental risks associated with the
property [see 14#04B].

'[No] party has expressed interest in purchasing the Hermon Parcel and the Trustee does not believe
there is any equity in the Hermon Parcel, nor does the Trustee reasonably expect that there will ever be any
equity in the Hermon Parcel that would inure to the benefit of creditors.

'Absent abandonment, the estate will continue to bear the burden of maintaining the Hermon Parcel
including addressing any potential long-term environmental concerns. The estate lacks sufficient resources to
cover the considerable costs associated with maintenance or to address any potential environmental liability.
Further, the Hermon Parcel does not produce any value for the estate or its creditors. The Hermon Parcel,
however, poses no imminent threat to the health, safety, or welfare of the public.

**Abandonment permitted in bankruptcy**

'Section 554(a) of the Bankruptcy Code provides that “[a]fter notice and a hearing, the trustee may abandon any
property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the
estate.” 11 U.S.C. § 554(a). Property which is not abandoned or administered in the debtor’s bankruptcy case
remains property of the estate. ’ {page 3-4 of Motion, Maine Bankruptcy Court, 13-10670}

Who gets stuck with the parcel?
Roger Raymond, manager of the Town of Hermon containing the 5.5-acre parcel, noted on 10 August that indeed, an owner may abandon even contaminated property. “It's not unusual. People walk away from property. That allows the Town to foreclose on the property” and become the owner. “We take each case one by one.”

In this instance, the Town contacted the Maine DEP and let them know “this is an issue for us. The DEP asked the attorney general to look into it. The court must permit this abandonment, that's a key.”

Raymond hopes that the court reserves a fund to clean up the site. “We do not even know if the ties are hazardous.” {ANR&P discussion}

Next step
The DEP received an extension to file a response to Keach’s motion to 13 August. {Darren Fishell in Bangor Daily News 31.July.15}

MAINE DEP: OIL REPORT FOR JUNE*

29 July, Augusta. IMPORTED BARRELS OF CRUDE STAYED UNDER 2 MILLION BARRELS AGAIN,

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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.

through the South Portland terminal to Montreal. {e-mail to ANR&P}

Crude by rail future
The Energy Information Administration (EIA) reported May 2015 rail shipments to the East coast from North Dakota were 417,000 barrels per day. Total via pipeline, barge, rail, and tanker came to 13,476,000 per month. [Fielden – see below – assumes that PADD crude comes only from North Dakota. Field production may occur in Ohio (PADD2) and Pennsylvania (PADD1), but per the graph is relatively small.]

As of January 2015 rail still accounted for more than half (52%) of all shipments from North Dakota to the East coast [see graph]. ‘While refinery utilization in Petroleum Administration for Defense District (PADD) 1 in early 2015 has been below typical levels, this still marks the first time in EIA’s dataset that crude deliveries by rail have accounted for such a high percentage of East Coast refinery supply.’ {Mindi Farber-DeAnda, Tony Radich in US Energy Administration Today in Energy 5.May.15}
Why more by rail
Despite the higher shipping costs and lower prices for oil, likely two factors support rail. First shippers do not have enough access to pipeline capacity to abandon rail for the moment, and second East coast CBR shipments are perhaps being driven more by infrastructure commitments from refiners and marketers with terminal take-or-pay commitments (the buyers) rather than by route decisions made by producers (the sellers). {Sandy Fielden in RBN Energy blog 4.Aug.15}

Railroads must continue to notify expected Bakken crude moves
On 22 July, FRA Acting Administrator Sarah Feinberg notified railroads of USDOT’s decision that they must continue to notify State Emergency Response Commissions (SERCs) and Tribal Emergency Response Commissions (TERCs) of the expected movement of Bakken crude oil trains through their areas.

The May 2014 USDOT Emergency Order was made permanent. Trains with 1,000,000 gallons or more of Bakken crude oil – approximately 35 tank cars – are subject to the notification. In May of this year, the DOT announced that it would make the notification requirements of the Emergency Order permanent.

The Emergency Order also directed railroads to include estimated volumes of crude oil, the frequency of anticipated train traffic, the route the crude oil will be transported and contact information for at least one individual at the host railroad.

“FRA will continue with random spot checks and regular compliance audits to ensure that states, local communities, and first responders have the information necessary to respond to a possible accident,” added Feinberg. “FRA will take enforcement actions as necessary to ensure compliance.” {FRA press release}

CMQ: CUSTOMER FOR SALE*
4 August, Hermon. OWNER RAIL WORLD IS OFFERING LOGISTICS MANAGEMENT SYSTEMS FOR SALE. Offering price, according to the listing with The Dunham Group, comes to $2.75 million, with the 132,642SF building and two rail spurs. {Dunham website} [The website does not mention the existing business.]

[LMS was excluded from the purchase by Fortress of the MMA rail assets. Rail World always held LMS as a separate entity. See 14#01A, 11#12A, 11#04A.]

Tom Dunham, the listing agent, said he “knows the state really well” and believes LMS could be sold as a going business only if the traffic improves. He has spoken with NEPW’s Drew Gilman. “[Gilman] does not
want to step in unless he sees an opportunity, which could happen if the warehousing component could be boosted.”

Dunham rated the building “a Cadillac facility.” The new St.Croix Tissue plant [see 15#07B Eastport] could provide business, but he has heard that Dysart's, the truck stop cum warehousing and transloading, is already building for that on land adjacent to LMS [see map]. {ANR&P discussion}

Either the business, or the property
Ed Burkhardt, chief of owner Rail World, wrote: 'LMS is for sale, but no agreement has been reached. We will sell if a reasonable price can be agreed, and will continue today’s operation if it can’t. There are a number of possibilities between these two extremes, such as subdividing the space, leasing part of it, etc. We don’t see ourselves in the warehouse business long-term, but on the other hand, there is no requirement to sell. …

No satellite facilities; new business not involved with rail
'The LMS facility at Van Buren was transferred to [NB&M] when they bought the Madawaska – Van Buren – St. Leonard segment, and LMS discontinued its service at the time. LMS is profitable and business has been good and, as such, best value is achieved by selling the business. But, as I said, we don’t have to sell, and are quite willing to remain in business if no one offers a good price.

'Over the last two years, we have completely reorganized the business to be completely independent of the railway and have generated new business not associated with rail transport. This wasn’t easy, as MMA had operated its railway and LMS pretty much as a unit. But it has been successfully accomplished, so now we can
MASSACHUSETTS

CSXT: NORTH BROOKFIELD RAILROAD REDUX*
30 July, North Brookfield. THE DIRECTORS OF THE NORTH BROOKFIELD RAILROAD DISCUSSED A STUDY GOING FORWARD by the Central Massachusetts Regional Planning Commission.

Eric Smith, who is conducting the study, met with two of the three directors (Mary Walter and Robert J Smith) who are also town councillors. The Town Council serves as the board of directors for the railroad.

Smith said 40 hours of community development and planning services, cost $3,260, would produce a study of: (1) the documentation of the NBRR ownership and management; (2) existing land use and conditions of the right-of-way; (3) existing condition of rail crossings, including costs for signalization; (4) alternatives for railroad management and financing; and (5) economic development pluses and minuses.

He plans a report to the North Brookfield directors on 1 December.

Dan Bigda still interested
Bigda, managing partner of rail car leasing company Boxcar Companies of West Brookfield [see 15#06B], in 2010 presented selectmen with a proposal to resurrect and operate freight service along the spur [see 11#09A]. Bigda on 30 July 2015 said he still plans to rebuild the infrastructure “in the very near future.”

Possible operating companies
Smith is contacting GU, MCER, PW, NEGS, and other railroads outside the state to discuss managing and
financing, \{ANR&P discussion; Brad Miner in Worcester Telegram 30.July.15\}

**MC: ASSUMING FRAMINGHAM SECONDARY***

3 August, Chicago. *MC HAS ASSUMED MAINTENANCE ON THE FRAMINGHAM SECONDARY* as well as Attleboro to Middleboro. Iowa Pacific, its parent, is assuming dispatching of just the Framingham Secondary,\(^1\) said Ed Ellis, chief of Iowa Pacific. MassDOT, which acquired the line in June [see 15#06A], “wanted to transition away from CSX.”

For maintenance, MC needs “lots of additional equipment”.

**Why the transition to MC/Iowa Pacific**

Since the beginning of the MBTA Cape Flyer service from Boston to Cape Cod, Iowa Pacific's Network Operations Center in Janesville, Wisconsin, has dispatched the service. Ellis said MassDOT was happy with that work, and asked Iowa Pacific to start dispatching the Framingham to Middleboro section.

“I'm proud of our guys at the Mass Coastal,” he emphasized. He did not anticipate any “immediate changes” in either dispatching or maintenance needs. CSXT serves “mostly receivers” as does MC. MassDOT's “main focus is to keep the line viable for freight and future passenger.” {ANR&P discussion}

**PART OF A BUSY 30 DAYS**

In addition to assuming maintenance and dispatching for the Framingham Secondary, Iowa Pacific has had a very busy 30 days. Ellis called himself “very excited” about the flurry.

**Grenada Railway**

The North Central Mississippi Regional Railroad Authority has acquired Grenada Railway, and signed a 15-year lease agreement with a subsidiary of Iowa Pacific Holdings to operate and develop business on the line. {Railway Age website report 30.July.15}

**Hoosier State service**

On 2 August, Iowa Pacific began providing passenger equipment to Indiana Department of Transportation, which in turn provides it to Amtrak to operate the *Hoosier State* four times weekly train between Indianapolis and Chicago. {Chris Morisse Vizza in www.indystar.com 2.Aug.15}

**Piedmont & Northern**

North Carolina Department of Transportation has agreed with Iowa Pacific Holdings LLC and its subsidiary Piedmont Railway to operate the state-owned Piedmont & Northern railroad in Gaston County. Operation began recently. {Progressive Railroading}

**Sold two railroads**

Iowa Pacific closed the sale to Watco Transportation Services of two Texas railroads, the Texas and New Mexico Railway and the West Texas Lubbock and Western Railway. {ANR&P discussion}

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**NEW HAMPSHIRE**

**NECR-CCRR: SALE PENDING**

6 August, DC. *AS EXPECTED, NECR FILED A NOTICE OF EXEMPTION TO ACQUIRE BOTH PARTS OF THE CCRR* [see 15#07A].

\(^1\) NECR is acquiring the two lines of railroad operated by CCRR in New Hampshire. NECR currently connects...
with the Lines indirectly at White River Junction and directly at Claremont Junction. NECR will be acquiring CCRR's ownership of the Claremont line, and will be taking over CCRR's lease of the West Lebanon line. The acquisition will give NECR direct access to the transload locations and other customers served by CCRR. Eliminating a carrier from the route should increase the efficiency of operations and benefit CCRR's shippers. Further, NECR believes it will be able to use its greater resources to grow the business on the Lines.' {page 2}

The acquisition is expected to close on or about 8 September. {STB website, filings page, FD No. 35938}

**What happens in White River Junction**

As the Notice states, NECR connects only 'indirectly' with CCR in White River Junction. Under the 2003 lease of the White River Junction-Newport line by the state to WACR [see box], WACR undertook in its yards in White River Junction [see map] that it would:

- 'cooperate in good faith with connecting railroads (including but not limited to the New England Central Railroad, the Montreal, Maine & Atlantic Railway, and the Springfield Terminal Railway Company) to promote the development of overhead traffic on the Line.' {section 8.8}

- 'acknowledge the rights of the State of New Hampshire's designated operator [CCRR] with respect to access to the Line at White River Junction, as provided in Paragraph 34 of the July 30, 1999 Purchase and Sale Agreement between the Boston and Maine Corporation, Seller, and the State of New Hampshire...' {section 8.9}

- 'acknowledge that the ST (and its successors-in-interest to trackage rights over the New England Central Railroad between East Northfield, Massachusetts and White River Junction, Vermont) shall have access to the Line as necessary to interchange with the New England Central Railroad at White River Junction. [WACR] shall not unreasonably interfere with ST's use of the Line for such interchange purposes and [WACR's] interchange agreement with ST shall not require the payment of any fees or charges for use of the Line to effect interchange with any rail carrier.'

In addition, [WACR] shall negotiate in good faith with ST to permit ST to switch and set out cars on a track within the White River Junction Yard, provided that [WACR] may require ST to pay reasonable fees and expenses for use of the Line by ST for such purposes (i.e., purposes other than mere interchange with another carrier). {text of agreement}
from VAOT}

**The toehold**

As the map shows, NHDOT retains a toehold in Vermont. VAOT Assistant Attorney General John Dunleavy explained: 'NHDOT's "toehold" on the Vermont shore is the westerly abutment, which Northern/B&M retained to avoid divided ownership of the bridge.

'This is in contrast to the highway bridges, where the ownership is split at the exact state line. Typically, this means that the VT/NH ownership split is about 20/80 for the highway bridges over the Connecticut.

'For practical purposes, NHDOT is the lead agency for bridge maintenance and replacement, with VTrans reimbursing NHDOT for whatever Vermont's share is at the particular bridge location.

'The other exception is the Cheshire Bridge, which New Hampshire purchased from Springfield Terminal about 15 years ago. NHDOT owns the entire Cheshire Bridge [formerly operated by the Springfield Terminal Railway – *editor*], even the segment in Vermont' [giving it access to Springfield, Vermont]. {e-mail to ANR&P 17.Aug.15}

**Propane**

John Rymes, whose propane terminal CCRR serves in West Lebanon, expected “changes for the better. First, I am not dealing with Rule 11 [the division of the carload fee between NECR and CCRR == *editor*]. Also, I save a bit of money as well.” {ANR&P discussion}

**NHDOT responsibility**

The STB Notice by NECR stated that it is acquiring or leasing only the 'lines of railroad'. Since NHDOT owns the track and ROW in West Lebanon, plus has chosen the designated operator, NECR is acquiring only the lease of the 'line of railroad' from CCRR.

GWI spokesperson Mike Williams declined to comment, because the matter is in front of the STB, on whether NECR had discussed the matter with NHDOT. {e-mail to ANR&P 17.Aug.15} NHDOT did not reply to an inquiry by publication time.

**NHDOT: RFP QUESTIONS AND ANSWERS**

30 July, Concord. *THE STATE ISSUED ANSWERS TO THE QUESTIONS ‘AS APPROPRIATE’ ABOUT THE STATE LINES' RFP.* Some of them [full answers on Rail and Transit Division webpage]:

Q1: Where does the 5% of (freight) revenue payment go? To the General Fund or a special fund?
A1: The revenue paid to the State under contract, 5% for gross freight revenue and 10% for gross passenger revenue, is placed in NHDOT’s “Special Railroad Fund”, which funds maintenance and repair of state-owned railroad lines.

Q5: Would a railroad operating on the state-owned lines have to pay the State Railroad Tax?
A5: Yes, the Railroad operating on the state-owned line would have to pay the State Railroad Tax in accordance with NH RSA 82. In addition to information contained in the RSA, NH Railroad Tax forms can be found on the NH Department of Revenue Administration’s website (http://www.revenue.nh.gov/forms/railroad.htm).

Q7: Why didn’t the RFP include the segment between Whitefield and Littleton, NH?
A7: The Department has been working with the NH Department of Resources and Economic Development and the Town of Littleton for over two years to file with the Surface Transportation Board (STB) for abandonment and discontinuance of a 6.86 mile segment between Littleton and Bethlehem, NH. The railroad operator, NH Central Railroad, filed a Discontinuance of Service Exemption, which became effective on June 30, 2015, and final documentation is being prepared for the State to file an Abandonment Exemption with the STB. This 6.86 mile section has not had service on the line since the 1990s.
Q9: What is the status of the Twin State operating lease between Whitefield and Lunenburg/Gilman, VT?

A9: Twin State Railroad Corporation’s agreement currently terminates on December 31, 2018; however Twin State has the ability to [renew] the agreement for an additional 10-year period, which would terminate on December 31, 2028. {NHDOT website}

[As VAOT noted in its draft rail plan, the fate of TSRD lies with the estate of owner Clyde Forbes, who died in 2011. No progress seems imminent. See 15#07B.]

‘Inappropriate’ questions

Your editor asked whether anyone had taken up the offer of a hi-rail trip on the Mountain Division in July, and if so, who? This question was not addressed.

**NHDOT: ROAD SALT BIDS**

2 July, Concord. **MORTON AND GRANITE STATE WON THE ROAD SALT BIDS.** Prices ended up about $2 per ton [compare to 14#08A].

Granite State will serve its four districts with rock salt from its pile in Portsmouth on the waterfront or the satellite pile adjacent to Pan Am Portsmouth Yard [see 14#10A]. Morton, which won with bids about two dollars a ton higher than 2014 [see 14#08A], will use the Market Street [the terminal evicted Grimmel, but kept room for Morton – see 14#09A] and Newington terminals. **{editor}**

**VERMONT**

**VERMONT STATE RAIL PLAN, SOME COMMENTS**

Freight rail advocates will enjoy the data, albeit from 2011, on rail freight in and through Vermont. The Plan also devotes considerable space to projections of freight demand in 2035; this newsletter does not, because of the difficulty of accurate projection. That difficulty is underscored by the probable errors in projection of paper and coal traffic.

**Citations.** All language directly from the Plan is shown in Apple LiGoth Medium.
Outline

1. Inbound, outbound, overhead, intrastate traffic.
   1.1 Inbound
   1.2 Outbound
   1.3 Overhead
      1.3.a Pan Am
      1.3.b SLR, NECR, and CLP-GMRC-NECR gateway
      1.3.c CLP inbound, outbound, and overhead
   1.4 Intrastate
2. Trading partners
4. Other points
   4.1 Eastern Canada link
   4.2 Reducing slow orders
   4.3 Most lines not 286
   4.4 Rail recruitment group. [with box]

5. Boxes on Pan Am & SLR traffic.

Illustrations from the draft Plan
Exhibit 37: Freight movements all modes 2011 page 17
Exhibit 39: Top rail commodity directions 2011 page 18
Exhibit 41: Rail trading partners 2011 map (annotated) p20
Exhibit 42: Top thru origin-destination pairs (annotated) p20
Exhibit 43: Rail traffic flows 2011 map (annotated) page 19
Exhibit 49: Rail commodities 2011 and 2035 page 21
Exhibit 52: Vermont rail tonnage 2000-2035 page 22
Exhibit 88: Weight capacity of Vermont rail lines page23

ANR&P boxes and tables
Pan Am carloads page 26
SLR carloads page 25
Petroleum overhead carloads page 19

Introduction

The draft plan was put together by Alex King of Parsons Brinkerhoff as leader, with Jill Barrett of Fitzgerald & Halliday, Andreas Aeppli of Cambridge Systematics, Lisa Destro of Cambridge Systematics, and Anna Lynn Smith of Parsons Brinckerhoff. {e-mail to ANR&P 22.July.15}

All freight analysis is based on the STB 2011 Confidential Waybill Sample or the 2011 FHWA Freight Analysis Framework version 3.4 (FAF3.4).

<table>
<thead>
<tr>
<th>Mode</th>
<th>Inbound</th>
<th>%</th>
<th>Outbound</th>
<th>%</th>
<th>Intrastate</th>
<th>%</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truck *</td>
<td>11,990</td>
<td>90%</td>
<td>7,740</td>
<td>87%</td>
<td>15,383</td>
<td>93%</td>
<td>35,113</td>
<td>91%</td>
</tr>
<tr>
<td>Rail *</td>
<td>961</td>
<td>7%</td>
<td>775</td>
<td>9%</td>
<td>326</td>
<td>2%</td>
<td>2,062</td>
<td>5%</td>
</tr>
<tr>
<td>Multiple Modes &amp; Mail *</td>
<td>107</td>
<td>1%</td>
<td>75</td>
<td>1%</td>
<td>5</td>
<td>0%</td>
<td>186</td>
<td>0%</td>
</tr>
<tr>
<td>Air *</td>
<td>3</td>
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<td>2</td>
<td>0%</td>
<td>0</td>
<td>0%</td>
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<tr>
<td>Other *</td>
<td>338</td>
<td>3%</td>
<td>260</td>
<td>3%</td>
<td>900</td>
<td>5%</td>
<td>1,498</td>
<td>4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,339</td>
<td>100%</td>
<td>8,851</td>
<td>100%</td>
<td>16,614</td>
<td>100%</td>
<td>38,864</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: a FHWA FAF3 2011 Provisional estimates
        b STB 2011 Confidential Carload Waybill Sample data

Notes: Multiple modes and mail includes shipments by multiple modes and by parcel delivery services, U.S. Postal Service, or couriers. This category is not limited to containerized or trailer-on-flatcar shipments.

1. OUTBOUND, INBOUND, OVERHEAD, INTRASTATE 2011 TRAFFIC

In [2011], 6.6 million tons moved by rail, either originated, terminated, or overhead traffic in Vermont. Some 91% moved in railcars, 9% in containers over Pan Am in the southwest corner of the state, with no stations within Vermont.

1.1 Virtually all outbound is limestone
In 2002, limestone made up 95% of outbound rail traffic; in 2011 that had grown to 99%. {page 58}
Ninety-nine percent (738 thousand tons) of outbound traffic (limestone) originated in Rutland County. Almost half (333 thousand tons) of this traffic exited Vermont on the CLP. Another third (260 thousand tons) exited via Bennington and Hoosick Junction, NY on the VTR. {page 62}

The limestone moving via Bennington is all going to Maine. {page 59} The 270,000 tons of overhead traffic in clay etc [Table 39] looks very much like the same clay moving to Maine after exiting Vermont.

1.2 Inbound more of a mix, and dropping.

In 2002, the distribution of commodities for inbound rail shipments by weight was comprised of petroleum or coal products (37% [think the Global TankTrain – see 07#10B]), non-metallic minerals, glass or stone products (18% [think salt]), food products (16%), lumber or wood products (14%), farm products (8% [think barley]), and others (6%). In 2011, the inbound commodity mix was similar; however, the overall inbound rail tonnage decreased by 33% from 2002, from 1.4 million to 961,000 tons.

Over half of the inbound traffic in Vermont entered the state on the CLP, interchanging with VTR in Rutland. East Alburg and the interchange between CN and NECR came in second at 190 thousand tons and approximately 25% of inbound traffic.

1.3 Overhead traffic

1.3.a. Pan Am has half the overhead.

Exhibit 39 displays the volume of freight tonnage moving over Vermont rail network in 2011. The majority of the rail traffic in Vermont was through traffic (69% or 4.6 million tons in 2011). Approximately half of this traffic moved on the 7-mile segment of the Pan Am Southern Railway (PAS) line that traverses the southwest corner of the State, linking the Albany, New York area with eastern Massachusetts, New Hampshire and Maine.²

² Interestingly, on 23 July 2015 Pan Am RJED (train from the interchange with CSXT in Rotterdam Junction, NY to East Deerfield had over 100 cars. {Guilford Rail Sightings e-list} An average of 100 loads in each direction over the Vermont stretch for 300 days per year would yield 60,000 loads per year. Editor
1.3.b SLR, NECR, CLP-GMRC-NECR overhead traffic

The remaining through traffic moved on the St. Lawrence & Atlantic (SLR) in the northeast corner of the State (1.1 million tons), the New England Central Railroad (NECR) from Canada via East Alburg traversing all of the State to interchanges in Massachusetts (700 thousand tons), and on the Clarendon & Pittsford Railroad (CLP) - Green Mountain Railroad Corp (GMRC) - NECR through route (400 thousand tons). (page 62)

1.3.c CLP traffic inbound, outbound, and overhead

The CLP line between Rutland and Whitehall, NY handled over 1.2 million tons in 2011, consisting of a balanced mix of inbound (520 thousand tons), outbound (300 thousand tons) and through rail traffic (400 thousand tons). (page 62)

1.3.d Leading overhead flows [see map]

Most of Vermont rail through freight originates or terminates in Canada, Maine, Massachusetts, and New Hampshire [see map Exhibit 43 and table Exhibit 39]. Traffic flowing between Canada and Maine is largely handled by the St. Lawrence & Atlantic,
Exhibit 42 illustrates the top origin-destination pairs for the rail through traffic in Vermont. Most of Vermont’s rail through freight originates or terminates in Canada, Maine, Massachusetts, and New Hampshire. Traffic flowing between Canada and Maine is largely handled by the St. Lawrence & Atlantic, and the Central Maine & Quebec to a lesser degree. Other through markets are primarily served by PanAm Southern, and to a lesser degree, the New England Central and Vermont Rail System subsidiaries CLP and GMRC.

Exhibit 42: Top Rail through Origin-Destination Pairs, 2011 Weight (in Thousands of Tons)

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
<th>Tons 2011 (in 1,000’s)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Maine</td>
<td>552</td>
<td>12%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>New Hampshire</td>
<td>495</td>
<td>11%</td>
</tr>
<tr>
<td>Canada</td>
<td>Massachusetts</td>
<td>431</td>
<td>9%</td>
</tr>
<tr>
<td>East North Central</td>
<td>Massachusetts</td>
<td>377</td>
<td>8%</td>
</tr>
<tr>
<td>West North Central</td>
<td>Pan Am corner</td>
<td>282</td>
<td>6%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Pan Am corner</td>
<td>252</td>
<td>6%</td>
</tr>
<tr>
<td>Maine</td>
<td>Pan Am corner</td>
<td>211</td>
<td>5%</td>
</tr>
<tr>
<td>Canada</td>
<td>Pan Am corner</td>
<td>176</td>
<td>4%</td>
</tr>
<tr>
<td>Canada</td>
<td>Pan Am corner</td>
<td>149</td>
<td>3%</td>
</tr>
<tr>
<td>South Atlantic</td>
<td>Pan Am corner</td>
<td>1,493</td>
<td>33%</td>
</tr>
<tr>
<td>Other</td>
<td>Other</td>
<td>4,567</td>
<td>100%</td>
</tr>
</tbody>
</table>

Vermont rail trade partners. The annotations, inserted by ANR&P, come from the Plan.
and the Central Maine & Quebec to a lesser degree. Other through markets are primarily served by Pan Am Southern, and to a lesser degree, the New England Central and Vermont Rail System subsidiaries CLP and GMRC.

1.4 Intrastate traffic
Intra-state traffic constitutes only 5% (326 thousand tons) of the total rail traffic in the State. Most of the intrastate rail traffic (282 thousand tons) moves between Franklin County (Saint Albans) and Chittenden County (Burlington) on the NECR. This is wood chips for Burlington Electric.

2. TRADING PARTNERS
Top trading partners – see map.

3. FUTURE GROWTH TO 2035

All partners except Maine are forecast to grow to 2035. Maine will shrink because of the falloff in paper production, if one believes the FWHA forecast data.\(^3\)

... Vermont's rail traffic declined by over 40% in just two years during the recession of 2008-2009, a decline that was far greater than the 15% decline in tonnage that the seven Class I railroads experienced overall between 2006 and 2009.

The commodity with the highest unit growth is freight-all-kinds (FAK), which is entirely handled in intermodal service. This traffic transits through the State and has only minimal impact on the State's economy, but offers the strongest opportunity for traffic diversification.\(^4\) The forecast most likely underestimates the growth

---

\(^3\) While paper mills are disappearing, paper production has remained level. The same source sees a rise in coal overhead traffic despite the high probability that the only coal-by-rail plant, Bow, is likely to close. *Editor*

\(^4\) The planners do not state how to diversify into FAK if Vermont has no intermodal terminal. Nor do they recommend the construction of one. Aeppli wrote later: 'However Vermont industry utilizes intermodal through gateways in Ayer, Springfield, and Montreal. So, they do still gain from improvements in intermodal service, even if there is no terminal in Vermont. At this time and for the foreseeable future, there simply is not enough traffic density to justify development of an intermodal terminal in the state.
opportunity that intermodal presents.

On the Pan Am Southern (PAS) route, projected physical improvements, which include increasing clearances in Massachusetts to accommodate full domestic doublestack operations, will greatly improve efficiency and service performance. Furthermore, as part of Norfolk Southern’s Crescent Corridor initiative, PAS will eventually offer service into southeastern markets that are presently not accessible using rail intermodal.

The NECR, which has hosted sporadic intermodal service over the years, has placed a high priority on developing regular intermodal service between Canada and southern New England. The primary impetus has been the growing transpacific trade through the ports of Prince Rupert and Vancouver, BC, which can be linked efficiently with New England using a Canadian routing.³ (page 68)

As is evident in Exhibit 52, which displays historic tonnage trends from 2000 onward, Vermont total tonnage levels in the early 2000s were higher than the projected levels for 2035. The period from 2000 through 2009 saw a 45% decline in tonnage, with a modest recovery starting in 2010. While the major volume drop that occurred between 2007 and 2009 can be attributed to the severe recession of 2008-2009, traffic had already declined by over 17% in the preceding years as shown in Exhibit 52. (page 67)

Vermont’s trade with New York is projected to grow 59% to 760 thousand tons (28%) of Vermont’s inbound and outbound rail freight. The growth is mostly driven by high growth of rock salt shipments from New York.³ By 2035, Vermont’s trade with Canada is expected to grow 65% to 500 thousand tons (19%). This growth is driven by an increase of inbound petroleum products, lumber or wood products, food, and outbound limestone slurry. By 2035, trade with Maine is expected to decrease by 48% to 140 thousand tons (5%) as a result of a continued decline of the state’s paper industry. By 2035, South Atlantic shipments are expected to grow by 133% to 600 thousand tons representing 22% of the inbound and outbound trade. This high growth is mostly driven by an increase of limestone slurry shipments to the South Atlantic region. (page 67)

4. OTHER POINTS

4.1 Eastern Canada link

Given this, Eastern Canada’s economy will influence the need for freight transportation in Vermont. Computer and electronic products along with natural resources are among the two major industries in which Canada is a major trading partner. Since computer and electronic products are mainly transported by either truck or air freight, the focus turns to the natural resources and mining industry to understand the future demand for rail freight transportation. ... In comparing Vermont with one of its largest trading partners, Eastern Canada is expected to realize faster growth with annual growth for all economic indicators exceeding those in Vermont. In just the Eastern Canada region, employment growth is expected to increase at an annual rate of 1.8%, nearly six times faster than in Vermont. GSP growth, however, in Eastern Canada is expected to track more closely with expected Vermont GSP growth.

³ Not only has this not materialized, I see little evidence that it will on NECR, which lacks a terminal. PW is very interested in using its terminal in Worcester and the NECR as an intermodal gateway, and has worked hard on this possibility, yet no intermodal traffic is occurring. Editor

⁶ Again, the Freight Analysis Framework seems to merely project a percentage increase with no regard for the underlying situation. Why would road salt tonnage experience any growth at all? With continued global warming, road salt need should shrink. Editor
4.2 Reducing slow orders

Rail operators in the State were surveyed on slow orders on their systems. In general, state-owned rail lines are limited by a number of slow orders. Causes are varied and sometimes result from the condition of bridges, to be discussed below. Slow orders are listed in bulletins distributed to train crews. New England Central indicated that the company does not anticipate any major permanent slow orders on its lines once track improvements have been completed. 

Vermont has established a performance target to reduce permanent slow orders by three per year. 

Priority for eliminating slow orders goes to passenger lines.

4.3 Most Vermont lines are not 286, and especially few connecting lines are not

Exhibit 88 lists Vermont rail lines by their ability to handle heavy axle loads. The problem will only become worse as the industry continues to shift to higher capacity railcars.

Upgrading these rail lines in Vermont would accomplish little if lines outside of Vermont are unable to accommodate heavy railcars.

Some of the gateways on which Vermont rail lines depend are capable of handling these heavier railcars, including the Pan Am Southern in Massachusetts and New York State and the Canadian Pacific route between Albany and Montreal.

The New England Central Railway is currently unable to accommodate 286,000 pound railcars in Massachusetts and Connecticut. The company recently reached an agreement with the State of Massachusetts to upgrade the line, although this agreement has not been formalized. In Connecticut, the New England Central Railroad was awarded a TIGER VI grant to upgrade the line in Connecticut, so this will be upgraded. In two or three years, the entire New England Central line could presumably be able to accommodate 286,000-pound railcars, although this may be contingent on agreements in Massachusetts.

However, its function as a fully 286,000-pound compliant route from Montreal to New England will not occur until the segment owned by Canadian National in Quebec is upgraded as well. The Central Maine and Quebec Railway is also unable to accommodate 286,000-pound railcars.

4.4 Rail-oriented industrial development

The State is looking to create a group to advance rail-oriented industrial development. The mission of the Rail Recruitment and Expansion Committee (RREC) is to facilitate the recruitment of new businesses and expansion of existing businesses along rail lines. The Committee membership is to include the following organizations, state agencies, and railroads:

Vermont Rail Action Network
New England Central Railroad
Vermont Rail System
Agency of Commerce and Community Development
Agency of Natural Resources
MORE ON THE RAIL RECRUITMENT GROUP

Chris Parker, executive director of the Vermont Rail Action Network, the first agency in the Plan’s list of group members, wrote on 22 July:

‘The group is not fully yet set up although VRAN already started identifying several possibilities for additional rail traffic. This has mostly involved existing or expanding businesses and truck conversions. Nothing has actually come of this so far, aside from some interesting conversations. ’We have taken a leading role, but have not positioned ourselves as the leading agency; certainly the railroads and the other agencies also take a leading role. ’Obviously, both the railroads and the Agency of Commerce are actively soliciting new business and they have more resources and sales people. Vermont Rail System in particular is regularly developing new business and doing so very well on their own. Genesee & Wyoming and Pan-Am are active too. What VRAN brings to the table is the ability to bring people together, both in the community and in government. We have mapped abutting properties along much of the Vermont rail network as a resource for this work, as well as for other outreach. We have also had some interesting conversations with abutting property owners, but again, there is nothing to show for it at this time.’ {e-mail to ANR&P}

WHAT THE TRAFFIC NUMBERS TELL ABOUT SLR CARLOADS

The 2011 measures of SLR through Vermont lead, with dissection and some estimates, to numbers of total carloads on the line Norton-North Stratford. As well, carloads for destinations in New Hampshire and Maine can be estimated.

The Plan reports 1.1 million tons moved overhead through Vermont on SLR [compare the figure of 2015 carloads totalling 16,603 carloads or perhaps 1.6 million tons]. {page 61} Exhibit 42 also reports 552,000 tons moved between Canada and Maine through Vermont; assume 492,000 tons of that moved on SLR.[1] Consultant Andreas Aeppli reports that more than half of SLR’s business is US traffic routed through Canada.[3] {ANR&P discussion 30.July.15}

<table>
<thead>
<tr>
<th>TONS</th>
<th>terminate NH (no origin) [4]</th>
<th>terminate ME</th>
<th>originate ME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada origin to SLR terminate</td>
<td>~10,000 Rymes propane [2]</td>
<td>492,000 [1]</td>
<td>N/A</td>
</tr>
<tr>
<td>Canada origin on Pan Am [1]</td>
<td>~10,000 Eastern propane [2]</td>
<td>60,000 (propane)</td>
<td>N/A</td>
</tr>
<tr>
<td>Origin on SLR</td>
<td>0</td>
<td>0</td>
<td>371,400 tons paper and pulp move west [5]</td>
</tr>
<tr>
<td>US origin to SLR terminate</td>
<td>salt 10,000 tons NY origin</td>
<td>538,000 (some intermodal) [3]</td>
<td></td>
</tr>
<tr>
<td>total overhead through VT</td>
<td>30,000</td>
<td>1,002,000</td>
<td>371,400</td>
</tr>
</tbody>
</table>

1. Of the 552,000 tons from Canada to Maine, 60,000 is Pan Am propane [see Pan Am box], leaving 492,000 tons on SLR. This could be 193,000 tons (1,930 carloads) of propane (SLR moves propane to DCP and Dead River in Auburn [see Regional and box on propane]) plus 300,000 chemicals (3000 carloads) originating in Canada to Savage Safe Handling. Issue 07#12B says Safe Handling was doing 4000 carloads a year. These are consistent with 2015 observations [see Regional].

2. Assumed figure.

3. More than half of SLR business is US to US through Canada. SLR through Vermont is 1.1 million tons. Subtracting the 20,000 tons for New Hampshire, we get 1,080,000 tons for Maine inbound and outbound. From [1] we get Canada to Maine 492,000 tons. That leaves 588,000 tons for US-Maine traffic on the SLR through Vermont. Subtracting 371,400 tons of paper westbound leaves 217,000 tons eastbound from US origins through Canada and Vermont to Maine. Consist of intermodal units, chemicals for Safe Handling, and other traffic?

4. No traffic originates in New Hampshire. Some terminates: salt to Barrett salt in West Milan, and propane to Rymes in North Stratford on NHCR.

5. Exhibit 39 states 1,144,000 tons of pulp and paper move overhead. I assumed that half moved on Pan Am, and that NECR, MMA, and SLR made up the other half. The 377,000 tons from 2015 observations [see Regional].
WHAT THE TRAFFIC NUMBERS TELL ABOUT 2011 PAN AM CARLOADS

The 2011 measures of Pan Am through Vermont lead, with dissection and some estimates, to numbers of carloads of Pan Am Freight Main traffic on the line Hoosick-North Adams. As well, carloads for destinations east and west of Vermont can be estimated.

The Plan reports 69% or 4.6 million tons moved overhead through Vermont. About half of that, or 2.3 million tons, consisted of Freight Main traffic. {page 61} This roughly translates into 51,560 carloads/intermodal units per year, as shown in the table below.

<table>
<thead>
<tr>
<th>product/lading weight [0]</th>
<th>thru tons on PAR 2011 from Exh.39</th>
<th>thru carloads or units</th>
<th>weight of lading per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>coal [1]</td>
<td>584,000</td>
<td>5958 (Exhibit 49)</td>
<td>98 tons (584,000/5958)</td>
</tr>
<tr>
<td>autos [2]</td>
<td>153,000</td>
<td>8236 (Exhibit 49)</td>
<td>19 tons (153,000/8236)</td>
</tr>
<tr>
<td>intermodal [3]</td>
<td>255,000</td>
<td>24320 (Exhibit 49)</td>
<td>10 tons (255,000/24320)</td>
</tr>
<tr>
<td>limestone to Maine [4]</td>
<td>260,000</td>
<td>2,600 ^</td>
<td>100 tons (assume)</td>
</tr>
<tr>
<td>pulp, paper [5]</td>
<td>577,000</td>
<td>5,770 ^</td>
<td>100 tons (assume)</td>
</tr>
<tr>
<td>petroleum etc [6]</td>
<td>60,000</td>
<td>600^</td>
<td>100 tons (assume)</td>
</tr>
<tr>
<td>chemicals [7]</td>
<td>150,000</td>
<td>1500^</td>
<td>100 tons (assume)</td>
</tr>
<tr>
<td>id’d products total</td>
<td>2,039,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>other</td>
<td>261,000 ^^</td>
<td>2610^</td>
<td>100 tons (assume)</td>
</tr>
<tr>
<td>Total annual in 2011</td>
<td>2,300,000</td>
<td>51,594</td>
<td></td>
</tr>
</tbody>
</table>

[0] 'The reported tonnage is only for the revenue freight moved. It does not include the weight of the railcar, nor non-revenue freight.

1. Only Pan Am was moving coal through Vermont in 2011. At 100 carloads/train and 40 trains per year, this is about right.
2. Some autoracks have moved via GMRC or NECR, but most move via Pan Am either to its terminal in Ayer, or via PW to NORAD in Davisville. Why only 19 tons, when BNSF website states a bilevel autorack weighs 50 tons empty, and 90 tons loaded; trilevel roughly the same. Aeppli responded that 153,000 tons ‘seems a little light to me....autoracks may not always be full, and they may be moving empty in revenue service, in which case they would be reported as having a 0 or minimal weight.’ (e-mail to ANR&P 15.Aug.15)
3. The numbers are ‘Freight All Kinds’ (FAK) handled entirely in intermodal service. (page 68) One train per day, each way, with 50 boxes or trailers each = 100 units per day times 243 days per year; this makes sense. 53-foot loaded intermodal containers weigh up to 21 tons; here the average unit lading weight is more than 10 tons. 4. See section 1.1.
5. Exhibit 39 shows nearly all pulp & paper, 1,114,000 tons, is through traffic. Assume that Pan Am moved half the pulp and paper overhead, while SLR [see other box], NECR, and MMA [Twin Rivers was moving paper via MMA-WACR-NECR – see 15#07A] moved the other half.
6. Pan Am started moving: propane to Sea-3 in 1975 [see 14#08B] and to other small terminals; ethanol to Motiva in Providence in 2007 [see 07#08A]; crude in 2012 [see 12#05B]; propane to Plains LPG in 2013 [13#12A]; propane to Dead River in Riverside in 2013 [15#02B]; to NGL [04#12A]. Thus in 2011 any Pan Am petroleum-based traffic consisted of propane to small terminals [In 2010, 500 carloads, per Fink – see 15#02B]; let's say 600 carloads. Assume no ethanol was moving to Motiva via Pan Am [see propane box].
7. Total Vermont chemical overhead tonnage comes to 771,000 tons [Exhibit 39]. Pan Am moves to paper mills and other locations (Univar, Hercules, Monson, Jones, Hubbard-Hall), perhaps 150,000 tons. Let's say the same for NECR+VRS. SLR would handle the balance of 471,000 tons, which comports (very roughly) with SLR estimates [see Regional] of Canada to Maine 242,000 tons and US to Maine 70,000.

^ This number derived by dividing the tonnage by 100 tons per car.
**^ Subtracting id’d products from total annual.

Agency of Transportation

The RREC will be charged to:
- Work with businesses interested in locating new business or expanding existing businesses along rail lines.
- Conduct site evaluations and evaluate property conducive to rail-oriented businesses.
- Identify tax and other incentives to attract more businesses / expanding businesses to locate along rail lines.
- Undertake necessary studies in support of the committee’s mission. {page 120}

5. PAN AM AND SLR TRAFFIC COUNTS
[See boxes]

**RAIL FREIGHT FACILITIES**

Described in this issue.

LMS (CMQ, Maine)
Maxam (NYOG, New York)
Moark (Pan Am, Maine)
National Lead (SNC, New York)
Rymes (CCRR, New Hampshire)

**PEOPLE, EVENTS**

A.C. Jacobs has become general manager of Pan Am Southern Railway (PAS), succeeding M.G. Rooks.