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

REGIONAL
CMQ: Outsourced dispatching to RailTerm. Francois Prenovost on why outsource. ++

NEW YORK, QUÉBEC
[No report.]

CONNECTICUT
PW: RED sends first cars out of Portland.

MAINE
MDOT-MERR-CMQ: MDOT selects CMQ over MERR to operate Rockland Branch.*
NB&M: Chinese railcar manufacturer for northern Maine encounters visa problems.*
Pan Am: Rumford production cutback, coal reduction. Jay increases taxes as Verso value drops.*

Searsport: Why no woodchips or wood pellets from Maine? Meeting on 16 September.

MASSACHUSETTS
CSXT: Chinese transit car manufacturer breaks ground in Springfield.*
PVRR: IRAP grant to improve switching at DCP propane terminal.*
PVRR: Aluminum traffic up, interchange to Pan Am

still not restored.*

NEW HAMPSHIRE
Pan Am v MBRX: Superior Court answer suggests case could move to STB.*

PORTSMOUTH: What uses for Market Street after the bridge project? Containers? Ferry?*

RHODE ISLAND
[No report.]

VERMONT
[No report.]

MARITIMES
Sydney-Melford-Halifax: Chinese trip to market
Sydney. 18,000TEU ships may come? RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here. PEOPLE, POSITIONS, EVENTS
Searsport meeting – See Maine.

EDITORIAL
See Portsmouth – unlikely containers.

FROM THE PUBLISHER
Just missed this issue
Look for articles later this week on participating in supplying CRRC, on the ConnDOT RFIP projects, and on the Waterbury Branch.

- Chop Hardenbergh Next formal issue 1 October

CMQ switch
John Giles, CMQ president, wrote on 9 September: 'We wanted to improve our French Quebec language capabilities and we wanted to strengthen our Customer Service/Care capabilities, so we resourced some of [the French language] talent there.'

The CMQ Customer Service/Care Group 'is now led by Lynne Labonte and offering proactive car and fleet management to key shippers and receivers. Very important to our growth plans.' [Labonte formerly served as manager, customer service center and dispatch for the MMA – editor] {e-mail to ANR&P}

RailTerm and ARDC
Curiously, Vermont houses two dispatch centers.

RailTerm. This independent company provides 'rail dispatch services to [more than a dozen] railways with over 4500 miles of track throughout the United States and Canada. Our clients include freight railways and inter-city passenger and commuter operators.

'Our Rail Traffic Control (RTC) dispatching operations centers are located in Rutland, Vermont, and Montreal, Quebec. We use Centralized Traffic Control (CTC) and dark territory control.'

RailTerm also provides terminal management, and track and signal maintenance. {company website}

ARDC. The American Rail Dispatch Center, located in St.Albans [see 07#02A], was inherited from RailAmerica by GWI and, 'is alive and well in St Albans under director Dave Blodgett. They continue to dispatch many GWI properties and a very few 3rd parties.' {e-mail to ANR&P from Vermont subscriber 12.Sept.15}

RAILTERM: OUTSOURCING CROSS-BORDER DISPATCHING (2011)

Note. The following was based on an interview with Francois Prenovost in 2011, but never published. Much of it remains interesting and applicable.

When does outsourcing dispatching make sense?
Prenovost acknowledged that opinions differ on outsourcing rail dispatching. "Some people think it's doomed to fail; others think, 'Leave a specialty to specialists.' Dispatching is our main focus, and we have recruited the best people in industry."

Outsourcing makes most sense to "railroads who have one dispatching desk which is not busy all the time, especially evenings, nights, and weekends. I can sell the cooperative concept, I can tell the railroad, 'I will pass on to you the significant portion of the savings, because I can combine evening, night, weekend shifts with other railroads.

"The railroad might need to wait during the day, but look at the savings, it's often worth the move." When is it not worth the move? "It's not worth outsourcing when the railroad has dispatchers 70% busy."

Making sure everyone is on board with the change
Even when the move makes economic sense, Prenovost said it will not succeed if the railroad management does not like the concept. For one of his former railroads, Prenovost convinced the ownership that the concept would work, "but the managers never got on board. Even though I hired their dispatchers to work for me, two weeks after the cutover, the managers were telling me that my dispatchers—who were their dispatchers only two weeks earlier—were completely incompetent."

Prenovost's conclusion? "I need to convince management as well the ownership, I have to make sure everyone is on board." In contrast, when RailTerm took over the SLR-SLQ dispatching in January 2011, "that went seamlessly, we got
compliments."

The cross-border situation
In the United States, Prenovost noted, the FRA requires that US dispatchers handle US railroads, "because of national security." In Canada, for trains operating in Quebec, Transport Canada has a language concern and would like bilingual dispatchers.

RailTerm handles the railways which cross the border with a "train transfer, not a desk transfer." When, for example, an SLR train reaches the border, the authority given by that country’s dispatcher expires, and the crew must contact the RailTerm office in the other country to get new authority.

Remote knowledge of the territory?
One former SLR dispatcher, Tom Hall, wrote: 'When I qualified, we went out and rode the trains – not just to learn the terrain, but also to see the customer sites; the direction of the switch, sidings, challenges to switching, operational difficulties, etc… And of course, you ride to get to know the crews. If you are a good dispatcher, intent on getting the trains over the road in the best possible manner while providing exceptional customer service, you will look for opportunities to maximize efficiency. That might mean setting off a particular cut of cars so that the customer will have them first thing in the morning, rather than waiting for the local switcher to backhaul to the customer. Or even having the road freight place a car if that car is really hot. If you know the crews and the customer’s sidings, you can provide better customer service. Some remotely-located dispatcher cannot do that.’ {e-mail to ANR&P 1.Feb.11}

Prenovost responded that how a RailTerm dispatcher handles local situations depends on the agreement between the railroad and RailTerm. "If the managers are interested in the well-being of the shippers, and they want the dispatchers to pay attention, the managers will tell us and we will do what we can directly for the shippers."

But sometimes managers prefer to handle the shippers themselves. "When a crew calls us at 2AM with a bad-ordered car, wondering where to put it, some railroads want us to wake up the mechanical officer to get a decision, other railroads want our dispatcher to decide, and send the mechanical officer an e-mail which she or he will read in the morning."

What about knowing the territory? "We sometimes send the dispatchers on road trips. That depends on what the railroad wants. I think the best dispatching depends much more on human rapport than on understanding the territory."

Prenovost underlined the RailTerm approach: "We personalize the service for each customer. It’s been successful. We started with VIA in 1999 on a five-year contract, and we are now on our third term."

What happened with MMA?
Prenovost responded to Tom Hall’s noting that ‘the MMA dropped their contract dispatching service in Quebec, and gave dispatching duties to the yardmasters in Farnham.’

When Iron Road ran the Quebec property using CDAC and QSR, said Prenovost, and was looking to save money, it requested a bid from RailTerm. The services RailTerm provided were quite an improvement, since CDAC and QSR sometimes had to shut down the railroad when neither the regular dispatcher nor the backup could make it into work.

But the Bangor dispatchers, who continued to handle the US work, resented the outsourcing and badmouthed RailTerm performance. The RailTerm manager in Montreal resented their attitude, resulting in not the best service in Quebec.

“As a result, we lost the contract [sometime after MMA took over], and the yardmasters became dispatchers. At first,” said Prenovost, “the yardmasters were very upset with the maneuver, but now it is working for them.”

So, whenever RailTerm workers need a reminder about customer satisfaction, “I say, ‘Remember MMA.’” {ANR&P discussion 3.Feb.11}

NORTHERN NEW ENGLAND INTERCITY RAIL INITIATIVE
11 September, Boston. VAOT AND MASSDOT ANNOUNCED THE ‘FINAL PUBLIC INFORMATION MEETINGS’ for the 'Northern New England Intercity Rail Initiative (NNEIRI), a study to examine the opportunities and impacts of more frequent and higher speed intercity passenger rail service on two major rail corridors known as the Inland Route and the Boston-to-Montreal Route.’ [See map.]

MassDOT and VAOT, in collaboration with ConnDOT and the FRA, are conducting the study. MassDOT Project Manager Ethan Britland is providing the administrative lead on the project including procurement, consultant oversight, and general coordination with FRA. VAOT Planning Coordinator Scott Bascom is managing the Boston-to-Montreal High-Speed Rail Corridor FRA Cooperative Agreement.
NAMES OF PARTICIPANTS
Representatives from the following attended the 25 June stakeholder meeting in Springfield:

**Railroads, agencies**
- Amtrak: William Hollister
- Army Corps: Alan Anacheka-Nasemann
- ConnDOT: Tom Maziarz, Jon Foster
- CSX: Gina Clark
- FRA: Trevor Gibson, Kyle Gradinger, Jessie Fernandez-Gatti
- FTA: Nick Garcia, Kristin Wood
- MTQ: Serge Routhier
- MassDOT: Ammie Rogers, Tim Doherty
- Metro-North: Alexander Lu
- NECR: Charles Hunter
- NHDOT: Shelley Winters
- VAOT: Scott Bascom

**Regional Planning**
- Central Massachusetts Regional Planning Commission: Rich Rydant
- Franklin Regional Council of Governments: Linda Dunlavy, Maureen Mullaney
- Pioneer Valley Planning Commission: Dana Roscoe, Tim Brennan
- Southern Windsor County Regional Planning Commission: Katharine Otto
- Upper Valley Lake Sunapee Regional Planning Commission: Nate Miller
- Windham Regional Commission: Matthew Mann

**Elected Representatives**
- John Olver (U.S. Congress, Retired)
- U.S. Congressman Jim McGovern’s Office: Keith Barbegal
- State Senator Rosenberg’s Office: Mary Jane Bacon
- Office of State Senator Eric Lesser: Michael Clark

**Consulting Team**
- Matthew Moran (HDR)
- Ron O’Blenis (HDR)
- John Weston (HDR)
- Alexander Tang (HDR)
- Eric Smith (Fitzgerald & Halliday)
- Bill Lipfert (LTK Engineering)
- Jay Doyle (AECOM)
- Jill Barrett (FH)
- Jim Stoetzel (HDR)
- Rob DiAdamo (Transportation Planning and Resource Group) [project website]

**FINAL PUBLIC INFORMATION MEETINGS**
- September 16 – Boston Mass Department of Transportation Building, 10 Park Plaza, Conference Room 1, second floor. Bring photo ID.
- September 17 – Springfield – Pioneer Valley Planning Commission, 60 Congress Street, second floor
- September 24 – White River Junction - Hotel Coolidge, 39 S Main Street
  All meetings start at 7 p.m.

**CONNECTICUT**

**PAN AM: WATERBURY PROPANE ++**

1 September, North Billerica. **THE RAILROAD PROPOSES ITS OWN IMPERMANENT PROPANE TERMINAL IN CONNECTICUT**, not far from the newly-operating Inland Fuel Terminals site in Terryville.

Cyndi Scarano, Pan Am executive vice-president, designated the spot, which Pan Am would purchase, as the former Waterbury House Wrecking Company 1.5-acre site, just across the river from the Pan Am-served Albert Brothers scrap facility [see map]. Pan Am would build track for 10 car spots. A portable transload would transfer the propane from the tank cars to trucks.

She estimated service at several times a week, depending on demand.
Why Waterbury?
Scarano said Waterbury is an ideal location. “Waterbury is kind of the center of New England.” Pan Am will serve the terminal by operating over passenger lines, on which Pan Am operates when the passenger trains are not running, primarily at night.

Editor

Chicopee, the “Crossroads of New England” will be surprised it is supplanted by Waterbury. Editor

To serve its Waterbury branch, Pan Am operates EDPL which arrives from East Deerfield around 06h00, and PLED, which traverses the ConnRiver in the daytime. Editor
Scarano said demand exceeds the supply of propane available through traditional routes. “Now we’re obtaining propane in our own country. Propane has shifted from being distributed by water to being distributed by rail.” Pan Am plans to obtain it from the Marcellus Shale, Utica Shale, and Canada. “Now it’s an energy that’s a lot more reasonably priced because it’s able to be produced here.” Increased competition could lower costs for consumers.

**Change in location**

Until recently, Pan Am planned to build the transload facility on land it owns on Jackson Street, the former rail yards across from the Metro-North station [see map and below]. During conversations with the mayor's office, however, Pan Am learned the city wanted the Freight Street corridor for mixed use transit-oriented development, and planned a greenway along the Naugatuck River, reported Jim Sequin, the city planner.

He said, “We are very fortunate that [Pan Am] was willing” to seek another site. The city recognizes that under federal pre-emption the railroad could site its terminal in its old yards.

**Zoning language change needed**

Sequin pointed out that the current zoning language for the House Wrecking site permits commercial use, but not transloading. Pan Am will seek a change at the City Plan Commission public meeting on 9 September.

The Plan Commission can only make recommendations to the City Zoning Commission, which will meet 28 October to decide. State law requires at least 35 days between the time of recommendation and the time of decision.

Scarano said Pan Am is going through the zoning process to show its desire to work with the city. “This is something where we want to work with Waterbury. We find it’s better for both our business and the city if we work together on a project.”

**Any resistance?**

Not yet, said Sequin. If the *Republican-American* covers the Plan Commission meeting, its article may arouse some opposition at the Zoning Commission hearing. {Andrew Larson in Waterbury *Republican-American* 2.Sept.15; *ANR&P* discussion with Sequin 4.Sept.15}
ConnDOT commissioner in Waterbury hears calls for better passenger service
Top officials with ConnDOT and Metro-North Railroad affirmed commuters’ hopes that signalization and passing sidings will be installed on the Waterbury branch before the end of the 2018, during a forum 2 September at the Naugatuck Historical Society, next to the train station.

Nearly 40 people attended the forum, organized by the Connecticut Rail Commuter Council, which focused on the Waterbury branch. DOT Commissioner James Redeker said $2.8 billion is allocated for the five-year ramp up to Governor Dannel Malloy’s ambitious 30-year, $100 billion transportation plan. One of the goals is turning the Waterbury branch into a “best in class” railroad. “It’s taking the Waterbury line out of the dark ages and out of dark territory, and into one of the brightest futures I can imagine.” {Andrew Larson in Waterbury Republican-American 3.Sept.15}

9 September, Waterbury. THE CITY PLAN COMMISSION TABLED PLANS FOR THE IMPERMANENT PROPANE TERMINAL. Sequin said on 14 September that the Commission will next hear about the terminal on 14 October. On 21 October the Zoning Commission will hold a public hearing. {ANR&P discussion}

Why another terminal?
One subscriber associated with another propane supplier noted the Inland Fuels terminal which is opening [see 15#08B]: ‘Railroad competes with new customer they serve? Might need three terminals serviced by Pan Am!’ {e-mail to ANR&P 4.Sept.15}

Another source noted that loading trucks from railcars takes much longer than loading them from tanks such as the ones Inland has built. She also pointed out that the proposed site is adjacent to apartment buildings, and very narrow. {ANR&P discussion 9.Sept.15}

PW: NEW CUSTOMER STARTS*
1 September, Portland. RED TECHNOLOGIES SENT OUT ITS FIRST GONDOLAS THIS DAY AND IS CONSIDERING CONTAINERS, said Adam Westhaver, vice-president.

The waste-handling facility [see 15#02A] received its first cars [see photo] on 27 August, and sent out cars “five days last week” to a disposal site in Michigan. RED has event-based contracts to handle 90,000 tons and is looking for more.

Intermodal a “different avenue”
RED is talking with container provider EPIC, part of Synagro [see box], as well as companies which could provide equipment, truck the containers, and load them onto PW intermodal cars inside the enclosed facility.

Among others, he has conferred with US Ecology and Waste Management. “It's a whole new world for us, a whole new level of infrastructure.”

Rail service
PW is also excited about the possibilities, Westhaver said. For the gondolas, he anticipates service three times a week, with the hope of that rising to every day. At this point, RED is the only freight facility “on this side of the river.”

RED is switching with a trackmobile borrowed from a local industry on a trial basis. {ANR&P

SYNAGRO and EPIC
Founded in 1986, Synagro provides comprehensive waste capture and conversion services. Headquartered in Baltimore, Synagro employs over 800 people in 34 states and serves more than 600 municipal and industrial water and wastewater facilities.

Its subsidiary EPIC has a more than 330 railcars and 3,000 shipping containers. Rail terminals and transportation services provide logistics and intermodal transport for over 500,000 tons of waste each year. {company website}

7RED Technologies, LLC is a privately-held, woman-owned remediation, engineering and development contractor providing an array of remediation, heavy highway and site construction services throughout New England and the Tri-State Area. {company website}
MDOT-CMQ-MERR: A DECISION*

2 September, Augusta. **MDOT AWARDED OPERATION OF THE ROCKLAND BRANCH TO CMQ.** Spokesperson Ted Talbot said MERR submitted the only other proposal for the 57-mile-long Rockland to Brunswick line. All four committee members scored CMQ the highest. The department will begin negotiating a 10-year operating agreement to begin 1 January 2016.

“The CMQR’s management and operating team have vast railroad experience from around the country in operating and growing multiple shortline railroads. So we believe that they as an operator provide the opportunity to best serve the businesses in that region as well as to grow freight traffic on the Rockland Branch.” {Andy O'Brien in Rockland *Free Press* 3.Sept.15}

No excursion operation

CMQ will operate only freight. CMQ did agree to “accommodate and prioritize a passenger rail operation,” said Talbot, and could conceivably coordinate continued passenger service with Maine Eastern Railroad. MERR's proposal contained two different options for year-round passenger service, but both required a state subsidy. The state is not interesting in subsidizing a new passenger rail service anywhere in Maine, Talbot said. {Tom Bell in Portland *Press Herald* 3.Sept.15}

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MAINE

*John Giles, CMQ president, once ran RailAmerica, now subsumed into Genesee and Wyoming. Editor*
Possible expansion of Dragon traffic?
CMQ President John Giles has developed a good working relationship with Pan Am Railways via their joint operation between Hermon and Brownville Junction. He may be able to build on that partnership to deliver more Dragon cement to customers in southern New England and Quebec. Editor

NB&M: NORTHERN MAINE CUSTOMER?*
3 September, Limestone. LACK OF A VISA INTO THE UNITED STATES HINDERS NEGOTIATIONS FOR A RAILCAR MANUFACTURER, said Carl Flora, head of the Loring Development Authority. NORINCO, which builds rail cars and other products in China, has explored locating a manufacturing facility here for some time [see 14#08B]. Sui Ping, a top NORINCO official, has been trying to get a work visa since spring, Flora said, and neither of them is sure about the snag; the state’s congressional offices have been contacted for help.

NORINCO wants to build rolling stock, unlike CRRC [see Massachusetts]. Sui wants to spend several months getting a sense of the market for freight railcars, Flora said, and would need to start the process of getting government approval for the Chinese company’s designs. Once the approval process is far along, he said, the company would look to set up a manufacturing facility.

Initially, Flora said, the operation would likely be based in an existing hangar at the former Loring Air Force Base, but the company has indicated it would eventually want to build its own facility. {Edward Murphy in Portland Press Herald 4.Sept.15}

PAN AM: MORE PAPER MILL AND COAL TROUBLE* 
1 September, Rumford. CATALYST MADE THE #12 MACHINE IDLING “INDEFINITE” after shutting it temporarily in May, per a statement this day. “This is a difficult but necessary decision that supports Catalyst’s commitment to align mill operations and production with market demand,” said Joe Nemeth, Catalyst’s president and CEO. {text of statement}

The Rumford mill has the most diverse capacity of products of all of Catalyst’s mills, with capacity for coated specialty grades, coated freesheet grades, coated groundwood grades, and market pulp capacity.

Loss of coal by rail?
The mill has a 103MW cogeneration plant that, according to the Energy Information Administration, has been shifting from burning coal to use mill wood wastes, tire-derived fuel and other alternatives. The plant supplies power to the mill and sells it back to the grid. {Darren Fishell in Bangor Daily News 1.Sept.15}

[Pan Am rails the coal from the Sprague terminal in Portland. Editor]

2Q15 results not good
In the 2Q15 report, Nemeth wrote: 'We recorded a net loss of $32.4 million and a net loss before specific items of $13.8 million in Q2. This compared to net earnings of $22.2 million and a net loss before specific items of $12.6 million, respectively, in Q1.'

One-time expenses related to Rumford
'Significant one-time items that negatively impacting our operating results in the quarter included a recovery boiler upgrade at our Rumford mill ($11 million), the cost and production impact of an oxygen plant outage at our Crofton mill, market curtailments at our Port Alberni, Powell River, and Rumford mills ($11.7 million), restructuring costs related to training and staffing changes resulting from the Powell River revitalization initiative, and legal fees associated with addressing the countervailing duty petition filed against Catalyst ($1.1 million).'

The production curtailment meant a loss of 'approximately 24,700 tonnes of coated groundwood, coated freesheet, and coated one-sided specialty paper at Rumford.'
Countervailing duties

‘On July 28, 2015, the U.S. Department of Commerce (DOC) issued its Preliminary Determination to impose countervailing duties on Canadian imports of supercalendered paper (SC paper) from Catalyst Paper and three other Canadian SC paper producers, including Port Hawkesbury Paper, Resolute Forest Products, and Irving Paper. [See 15#08A Regional.]

‘The DOC refused to examine each paper company individually during its investigation. Catalyst was assigned an “all-others” countervailing duty rate of 11.19, the average rate of the two companies for whom individual investigations were conducted – Port Hawkesbury Paper and Resolute Forest Products.’ {Catalyst website, 2Q15 report}

1 September, Jay. **JAY SELECTMEN APPROVED A REAL ESTATE TAX INCREASE**, less than two weeks after Verso's production cutback [see 15#08B]. Paul Binette, the town's assessor's agent, related the increase directly to a loss in value at the mill: it is valued at $691,792,058, down from $988,068,906 in 2013. {Rachel Ohm in Portland *Press Herald* 2.Sept.15}

**SEARSIDE: WHY NO WOODCHIPS FROM MAINE?**

16 September. **BILL STRAUSS WILL ADDRESS THE SEARSIDE PROPPELLER CLUB ON MAINE’S ROLE, OR LACK THEREOF, IN MEETING WORLD-WIDE DEMAND FOR WOOD PELLETS**, as well as wood chips. Strauss founded FutureMetrics, Inc. of Bethel, Maine which provides project analysis, due diligence, and expert advice in the wood pellet manufacturing sector. He serves as chief economist for the Biomass Thermal Energy Council (Washington, DC) and the chief economist for the Maine Pellet Fuels Association. He is also a director and co-founder of Maine Energy Systems, which manufactures fully automatic wood pellet-fueled central heating systems for the residential and commercial markets. Strauss will also discuss the potential for the Clean Power Plan to create significant new markets for industrial pellets in the United States that could be very advantageous to Maine.

Why invited

Dave Gelinas, president of the Propeller Club of Searsport-Bucksport and of the Penobscot Bay Pilots, wrote that he invited Strauss 'largely out of my frustration at Maine's inability to participate in the global wood pellet/wood chip trade, which is growing at a rate of over 20% annually.

‘Virtually every major export facility that has been built in the U.S. in the last five years has been built in the Southeast, in places like Florida, Georgia, Mississippi, and Texas. The fact that we are the second-most heavily forested state in the country, and 2-3 days closer to Europe than those locations, seems to give us no advantage.

‘I note that virtually all of the wood pellet export facilities (in excess of 300,000 tons/year capacity) that have been built down south have been underwritten by end-users in Europe, most notably power plants. Why have we (Maine) not been able to get a company like DRAX to come into this State?’ {e-mails to ANR&P 14.Sept.15}

To attend the presentation

Strauss will present at the Waldo County Shriners Club on Northport Avenue in Belfast, directly across from the City Park, at 18h00. Reservations are necessary; please call Amanda at 338-3000 with your request.

**MASSACHUSETTS**

**CSXT: NEW CUSTOMER A REALITY***

3 September, Springfield. **CRRC USA RAIL CORPORATION BROKE GROUND HERE** for its transit railcar manufacturing facility. China Rail Rolling Stock's new plant, scheduled to begin operations in 2016, will have a 2,240-linear-foot test track.
The new cars will replace MBTA Orange Line cars averaging 32 years in age and Red Line cars operating for 44 years. Orange Line production vehicles, approximately four cars per month, will arrive between late 2018 and the end of 2021, while Red Line cars will arrive between autumn 2019 and spring 2021. {Bill Vantuono in Railway Age 28.Aug.15}

PVRR: DCP GETS NEW TRACK*

2 September, Westfield. **PVRR IS CHANGING ITS IRAP PROJECT TO EXPANDING A PROPANE TERMINAL.** MassDOT, according to the department's IRAP coordinator Guy Bresnahan, is currently reviewing the project. The railroad originally was awarded funds to build a track into the RDS warehouse at Lockhouse Road.

The project
PVRR proposes to rehab 1500 feet of track between MP 3.5 and 3.8 on the East Hampton Branch in Westfield, and build a 1200-foot staging track. All work will occur on existing Pioneer Valley Railroad right of way, eliminating the need for purchasing additional property, or for permitting.

Use of rail
The DCP terminal, on north end of PVRR's East Hampton Branch, opened in 2002 [see 02#07A]. Traffic has grown 71% in the last four years, from 528 carloads in 2011 to 1,836 carloads in 2014. The product reaches numerous Massachusetts counties serving both commercial and residential markets. {e-mail to ANR&P}

Milt Brill, PVRR general manager, said DCP's spurs are leased, in part, on PVRR property. The new tracks will make switching “a lot easier.”

While the RDS proposal made sense “two years ago,” it would only add three car spots. The warehouse facility is “busier than ever,” though. [See other article.] {ANR&P discussion 3.Sept.15}
**PVRR: OTHER TRAFFIC**

3 September, Westfield. *ALUMINUM IS UP, OTHER TRAFFIC STATUS QUO*, said Milt Brill, PVRR general manager, who also commented on the IRAP grant [see other article].

**Aluminum**

Railroad Distribution Services continues to handle aluminum from Logan Aluminum in Logan, Kentucky. That traffic has risen 40%, for a customer in Lowell [see 99#08].

**Scrap**

Sullivan Scrap continues to transload at its satellite facility [see 11#12A].

**Interchange with Pan Am**

The interchange with Pan Am in Holyoke [finally restored in 2011 – see 11#04B and 11#05B – only to close due to bridge deterioration], is still not re-opened. “We are trying to work out something with the bridge jointly with Pan Am; it would finish off their corridor. … I know Dave Fink [Pan Am chief] wants it, and we want it, but business [right now] does not warrant a few hundred thousand dollars.” It may “end up being an IRAP project.” {ANR&P discussion}

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**NEW HAMPSHIRE**

**MBRX: TO STB?**

8 September, Nashua. *MBRX RAISED 14 ‘AFFIRMATIVE DEFENSES’ TO Pan Am’s LAWSUIT ON TRACKAGE FEES*, in filing its Answer to the Pan Am Complaint. Defenses included points described earlier [see 15#07B], such as the fact that the contract expired, and that MBRX track maintenance on Pan Am’s track exceeds what Pan Am believes MBRX owes for trackage fees.

New points include MBRX stating that ‘Plaintiffs’ claims fail because they are subject to the exclusive jurisdiction of the National Surface Transportation Board pursuant to 49 U.S.C. §10501’, and that they are barred by ‘estoppel’, ‘waiver’, and ‘unclean hands.’ {text of answer}

That last defense is sometimes described thus:

No court of equity will enforce or entertain construction of a contract in a manner incompatible with the laws or public policies of the state. A party that has been guilty of misconduct (‘unclean hands’) may be denied equitable relief, though the doctrine only applies when the plaintiff has acted unjustly in the very transaction of which he complains. Generally, to bar equitable relief, the wrongdoing must be connected with the subject of the litigation and have some relation to the rights of the parties arising out of the transaction.

**STB matter?**

Will the New Hampshire Superior Court agree with MBRX that the STB has jurisdiction over this trackage rights matter, and dismiss the case? That might follow after a series of briefs are submitted to the Court, over the next few months. *Editor*

**Attorneys**

Michael Delaney [former Attorney General – see 13#05A] and Diane Ricardo entered appearances on behalf of MBRX.

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**PORTSMOUTH: AFTER THE BRIDGE PROJECT?**

4 September. *SIMULTANEOUSLY, THE MARKET STREET TERMINAL IS HANDLING PORT CARGO* and serving as a host for materials to rebuild the Sarah Mildred Long bridge [see map and 14#09A]. Geno Marconi, director of ports and harbors for the Pease Development Authority, explained.
Cargoes this year

Concrete pilings. “We just completed a 60-day project loading precast concrete pilings that went down to the new power plant project in Salem.” [See box.]

Salt. The PDA began hosting Morton Salt (then International Salt Company) road salt in 2001, and that continues. [See 02#05B.]

One-off marine construction. Because of nearby marine construction, “we’ve been floating out a lot of equipment and materials for those,” Marconi said.

VYNORIUS MOVE OF PRECAST PILINGS
“The precast company is down in Salisbury and they trucked them up here and loaded them on barges,” Marconi said. “We had two barges in rotation that went from Portsmouth to Salem and back to Portsmouth.”

Bill Vynorius, president of the company, explained that Footprint Power, building the new gas plant on the site of the old coal plant [see map and 12#07B], did not want to unduly disturb the Salem neighborhood. So the pilings were barged to Salem.

Though some of the concrete pilings were 80 feet long, that did not present a problem on the highway or street, Vynorius said. “We move them over a hundred feet long.” {ANR&P discussion 8.Sept.15}

Equipment moves. The terminal is routinely used for other barge moves to nearby utility, government, and business terminals. On 8 September, Marconi expounded on the point. “Part of our statutory charge is to support other facilities on the river.”

For example, Tyco manufactures undersea cable at its terminal farther up the river. Ships often stay there
for some time, and then move down to Market Street for bunkering and to load equipment from trucks which cannot fit on its pier. Similarly, Public Service of New Hampshire's Schiller Station uses Market Street: “They can't even get a pickup truck on their own pier.” [It is used to land coal for the power plant – editor.]

Market Street presents the contractors for the Portsmouth Naval Shipyard [legally located in Kittery, Maine – editor] a location to work without the requirement of passing through high-security each day. Recently Summit Steel partially assembled a pre-fabricated three-storey building at the Terminal and barged it across the harbor.

As well, bridge-builders for the Yard have landed materials at the Terminal and barged them across for new construction of the access bridges at the Yard. {ANR&P discussion with Marconi}

**A port to serve New Hampshire**

As the examples show, said Marconi, “[This] is the only state-owned terminal that is a general cargo terminal with public access that any shipper that wanted to bring anything in and out of the state [and southern Maine]. This is a place we want to keep open, we want to be vital and we want to keep it in a state of good repair.”

Quick but not easy access. “We know the unique characteristics of the port and when we're talking with shippers, we try to work around those issues. We've got strong tidal currents, which they don't have in Portland and they don't have in Boston. [Plus] our channel is narrow and there are some significant turns in the channel that require timing of the turns according to the currents.” The port has “highly skilled river and harbor tugboat pilots” who handle the characteristics.

The new Long bridge will “make it safer for the ships that are coming up river. The horizontal opening is going to be larger than the existing bridge.”
“One of our stronger points is the fact we're a half a mile off the I-95 exit and we have easy access to the Spaulding Turnpike. That's a big advantage for us. Other ports and terminals like Boston, they've got a ways to go before they get to a major highway.”

The future: ferry to P-town?
What after the bridge work? Marconi said, “That's my job – to find another cargo to put in here when the time comes. There's a lot of interest.”

Assistant Mayor Jim Splaine, along with a group of people including the city's Community Development Director David Moore and State Representative Laura C. Pantelakos (D-Portsmouth), recently rode the Boston-Provincetown ferry, Splaine said. He believes strong demand exists for a Portsmouth-Provincetown ferry. Both locations “do a lot of the same kinds of things [such as restaurants and entertainment]. I think that's one thing that the port could get into and I think it could be great.”

Or containers? Splaine reported that Promote Our Port, a grassroots group, is encouraging the idea of container shipping there, “rather than a big rust pile” which Grimmel represented. {WMUR-ABC tv 5.Sept.15} [But see editorial in box.]

Containers in Portsmouth?
A 2002 concept for container service never materialized [see 02#05B and 05#01B]. For a short time in 2007 Eimskip's New England-Canada Express container feeder service called Portsmouth, but dropped that call and added Saint John instead [see 08#09A]. Since then, no container service has called.

Given that record, and the startup of the container service by both rail and ship in Portland, I cannot believe that Portsmouth could create the traffic necessary to sustain a container feeder service. Editor

MARITIMES

SYDNEY, MELFORD, HALIFAX, AND THE BIG SHIPS
8 September. HARBOUR PORT DEVELOPMENT PARTNERS WENT TO CHINA TO PROMOTE SYDNEY AS THE IDEAL SPOT TO BUILD A MEGA TRANSSSHIPMENT HUB for the ultra large or Triple E class container ships. Albert Barbusci partnered with Barry Sheehy in Harbor Port and its marketing agreement with Sydney [see 15#06A] for meetings with terminal operators, construction firms, and carriers.

Sydney not known
“Once we positioned Sydney for them and highlighted the natural benefits we have, they were all intrigued by not hearing about Sydney in the past. ... When you talk about transshipment and gateway, it is a natural. But we are the converted so we have to remain optimistic, deliver our story and only time will tell,” he said.

Sydney versus Halifax
“What they all asked is Sydney and Halifax both Nova Scotia? Are the lines of communication open between Halifax and Sydney? What everyone has to recognize over time is that Sydney is a super hub. Sydney is focused on ultra large container vessels. Halifax is a mature port. A good solid port. We are not threatening Halifax and shipping lines see that and they are not changing their strings. What goes to Halifax today will continue to go there and now [the lines] are looking for a home for the [18,000TEU] Triple Es,” he said.

According to the figure, Triple-Es can now call Halifax, as Farguson has said. [See 14#10A.]

Big ships now
Barbusci said the fact that 8,000TEU and 9,000TEU vessels now call Halifax [See 15#07B], a sign the bigger ships are coming, really didn’t interest him.

“We are not at 8,000 to 9,000 TEUs. That is good for Halifax and other ports and New York will soon
Experts agree with Mann that Triple-Es will not call anywhere on the East coast until they can call New York (meaning New Jersey). They currently cannot fit under the Bayonne Bridge.

Jack Ellenberg, senior vice-president with South Carolina Ports in Charleston said this year that the ability to reach the huge New York consumer market will make East coast calls feasible. Once they can reach the Port Newark Container Terminal, they will off-load and on-load cargo at Newark and at other ports along the coast.

And even then, the Triple-Es cannot transit the Panama Canal. So the Triple-Es will call the East coast in the Asia-North American trade. {NAIOP Development Magazine summer.15}

**The Bayonne Bridge**
The bridge raising over the Kill van Kull is scheduled for completion 2Q17.

**More ULCVs**
China COSCO, shares of which are still suspended from trading amid merger talks with China Shipping, has confirmed the much-anticipated $1.5 billion order of 11 x 19,000TEU ships from four different Chinese shipyards for delivery in 2018.

The average price for each ship comes in at $137.4 million, a significant discount of around $10-20 million paid by other lines, a measure of the Chinese shipbuilding industry’s need for new orders. To give a sense of the newbuild price deflation, Maersk’s 18,000TEU Triple-Es ordered in February 2011 cost $190 million apiece.

Nine carriers either have ships of this size currently in their fleet or on order. CSCL is reportedly on the verge of ordering 11 more ULCVs, while Japanese shipyard Imabari has also reportedly received an order for four 20,000TEU units with an as yet unnamed owner.

There is no going back from this point. The industry sees these ULCVs as the future, despite their inflexibility. [The ships must sail nearly full to achieve the savings they offer, and even then the diesel price decline has reduced the savings. Editor] The alarming drop in Asia to Europe traffic and a parallel crash in rates caused two of the big carriers groups to take the unprecedented decision to suspend services in the supposed peak season, while the two other alliances have been tinkering with missed sailings in order to try and support higher rate requests. {Container Insight 13.Sept.15}

see 12,000 TEUs. Our focus is on the ultra-large, the Triple-Es. For us, 14,000 plus. There is no value in building a super-automated hub along the East Coast if you are not able to host the big boys.” he said. {Discussions with ANR&P correspondent Tom Peters 8.Sep. 2015}

**Melford view**
Richie Mann, a spokesperson for the Maher Melford effort to build the new container terminal in Melford, viewed positively the arrival of the larger TEU ships into Halifax. He predicts when the raising of New York’s Bayonne Bridge is complete [see box], container ships to the East Coast will get even bigger.

Melford will offer very efficient cargo-handling, purpose-built. The big carriers need an efficient landside structure to achieve the economies of scale for which they were built. “I think the carriers won’t have any choice but to look at us,” he said. {Discussion with Tom Peters 4.Sep. 2015}
Other Sydney issues: the terminal, rail

Harbor Port Partners also envision a “highly automated terminal.” Though this concerns the longshoremen [see 15#06B], Barbusci said: “It is not our role … . Our role is, as developers, to put the best plan forward and at the end of the day we imagine everyone will support a great plan,” he said.

Rail. Barbusci acknowledged, “I think we need rail. We don’t want to mislead anyone. To be successful we need both” rail and trans-shipping.

Again, he eschewed involvement. “That’s a challenge but that’s their business. They need to know the importance of [the rail] line. We’ll leave that to government and port people. That’s not a role we play,” he said.

{Barbusci in discussion with Peters}

RAIL FREIGHT FACILITIES

Described in this issue.
Catalyst (Pan Am, Maine) Production cutback.
CRRC (CSXT, Massachusetts) Transit car manufacturer.
DCP (PVRR, Massachusetts) Track expansion.
Pan Am propane (Pan Am, Connecticut) Own terminal.
RED (PW, Connecticut) First outbound waste cars.
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 at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the e-bulletin, only by e-mail. All information in the e-bulletin is included, and often updated, in the issue.

Stories not updated for the issue are noted with an asterisk. I urge readers to look at the issue’s updated stories (those without an asterisk).

Two asterisks indicate the story is updated with the blue font showing what is updated.

Readers building a personal archive of the newsletter should discard the e-bulletins. The newsletter archive on the web at www.atlanticnortheast.com is open to all.

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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.’