**NEW HAMPSHIRE**

**MBRX:** Best season since 2009. Nothing happening on Pan Am lawsuit.

**NHCR:** Pam Am loco on property. *Photo. Map.*

**RHODE ISLAND**

Providence: New tenant Mid-American Salt has “salt pipeline” from Moroccan mine.

1. Company history.
3. Transport and areas served.
5. Possible rail.

**CONNECTICUT**

[No report.]

**MAINE**

**CMQ:** SMART certified to represent 11 workers.*

**Pan Am:** Portland propane move delayed? *++

**Pan Am:** Dirty dirt moving out of Orrington; thousands of carloads to follow. *Map. Photos.*

1. History.
2. Contamination, remediation, legal.
3. Cleanup, transport, disposal.
4. Rail transport and railcars.

**Pan Am:** Two nuclear casks. *Photo.*

**Eastport:** Wood chips getting closer. Iron ore coming?*

**MASSACHUSETTS**

**MBTA:** Debt ceiling threatens South Coast, Green Line, Knowledge Corridor.*

**Pan Am:** EPA greenlights STB consideration of proceeding to permit New England Transrail.*

**MORE TO COME**

Both major stories will receive followup: an overview of ProvPort, and dirt-by-rail.

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

NS-Pan Am: More efficient mechanise train to Enola.*

**NEW YORK**

**NYSDOT:** More crude oil train inspections.*

**Québec**

**CMQ:** Still hope for out-of-service St.Guillaume and Stanbridge subdivisions.* *Map.

**CONNECTICUT**

[No report.]

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REGIONAL

NS-PAN AM: MORE EFFICIENT*
14 December. NS MIGHT BE ABLE TO ENTICE MORE SHIPPERS WITH BETTER SERVICE TO PAN AM. NS’ acquisition of D&H South, while it did not establish a direct connection to Mechanicville (a train must operate over D&H track between Schenectady and Mechanicville) eliminated a number of handoffs.

For example, a merchandise service conducted with Pan Am Southern from Enola, Pennsylvania to Deerfield, Massachusetts has reduced transit time more than 24 hours because it’s now a more direct train, said VP of Industrial Products Mike McClellan.

“As the operator of the line, we can improve the quality and continuity of service provided in upstate New York and New England,” he said. “We always want to focus on the customer, and this transaction is all about focusing on the customer.” {Jeff Stagl in Progressive Railroading article distributed 14.Dec.15}

NEW YORK

NYSDOT & FRA: MORE CRUDE OIL INSPECTIONS
7 December, Albany. NYSDOT AND THE FRA CONDUCTED MORE INSPECTIONS [see 15#10B] in the previous week. State and federal teams examined 541 crude oil tank cars, approximately 207 miles of track, and 80 switches. The inquiry uncovered four critical defects and 38 non-critical defects, which inspection teams took immediate action to correct and repair.

Inspection teams from NYSDOT and FRA surveyed crude oil tankers at the CSXT-owned Selkirk Yard in Selkirk (Albany County), Frontier Rail Yard in Buffalo (Erie County), and the Canadian Pacific-owned Kenwood Yard in Albany (Albany County).

The inspectors examined CSXT mainline track between Macedon (Wayne County) and Warners (Onondaga County), between Tappan (Rockland County) and Milton (Ulster County), between Kingston (Ulster County) and Selkirk (Albany County), and between North Chili (Monroe County) and Macedon. They also examined track at CP’s Kenwood Yard in Albany.

Since Governor Cuomo initiated this targeted inspection campaign in February 2014, NYSDOT and its federal partners have inspected 11,591 rail cars (including 9,583 crude oil tank cars) and 3,916 miles of track, uncovered 1,496 defects, and issued 20 hazardous materials violations.

Atlantic Northeast tank car inspection results

Selkirk - At CSXT’s Selkirk Yard, NYSDOT rail equipment inspectors examined 107 crude oil tank cars and found no defects. NYSDOT hazardous materials inspectors examined 114 crude oil tank cars and found no defects.

Kenwood – At CP’s Kenwood Rail Yard in Albany, NYSDOT and FRA rail equipment inspectors examined 96 crude oil tank cars and found four non-critical defects: worn brake shoes, a missing knuckle pin, overdue calibration, and roller bearing wear plate not in the correct position.

Atlantic Northeast track inspection results

CSX Mainline Track Inspection – Kingston to Selkirk – NYSDOT and FRA track inspectors examined approximately 43 miles of track and five switches along the CSX mainline between Kingston and Selkirk and found 14 non-critical defects, including an insecure switch heel, loose and missing fasteners on guard rails, loose and missing switch bolts, missing cotter pins, a loose switch point stop, and an improper emergency
notification sign at a crossing.

Kenwood Yard – NYSDOT inspectors examined approximately two miles of track and 26 switches at the CP-owned Kenwood Yard in Albany and found one critical defect, a worn switch point, which was repaired immediately. They also found six non-critical defects, including loose or missing bolts, switch plates, rail joints and adjustable braces, and a section of track with fouled ballast.

**Per barrel fees**

The state budget increased fees for oil transported: to 13.75 cents per barrel, up from 12.25 cents for oil imported into the state, and to 1.5 cents for transshipped oil, irrespective of whether the oil remains in New York or is transferred on to another state. In-state end users will be exempted from the fee increase and will remain at 12.25 cents per barrel.¹

¹ For comparison, Maine Title 38 Section 551(4)(A) states: ‘A fee is assessed on the first transfer of products listed in this subsection by oil terminal facility licensees and on a person required to register with the commissioner under section 545-B who first transports oil into the State. These fees must be paid monthly on the basis of records certified to the commissioner. License fees must be paid to the department and upon receipt by it credited to [a cleanup fund]. [2015, c. 319, §16 (AMD).]

A-1. A fee is assessed of:
(1) Three cents per barrel of unrefined crude oil and liquid asphalt;
(2) Seven cents per barrel of #6 fuel oil;
(3) Twenty-two cents per barrel of #2 fuel oil, kerosene, jet fuel, diesel fuel and other refined products and their by-products not otherwise specified in this subsection, excluding liquid asphalt; and
(4) Forty-one cents per barrel of gasoline.
This paragraph does not apply to waste oil transported into the State in any motor vehicle that has a valid license issued by the department for the transportation of waste oil...
Governor Cuomo also initiated the hiring of five new NYSDOT safety inspectors. {Governor Andrew Cuomo press release}

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**QUEBEC**

**CMQ: “WE HAVEN’T GIVEN UP” ON TWO QUEBEC LINES***

15 December, Bangor. **PRESIDENT JOHN GILES ‘WOULD LIKE TO RE-OPEN’ THE STANBRIDGE AND ST.GUILLAUME SUBDIVISIONS**, both currently out of service, in 2016 - ‘if we can make an attractive deals with key shippers along the line. We tried valiantly this year, but couldn't make it happen. Historically, those same shippers have likely been disappointed with their experiences with short lines and we may be painted with same brush.’

**Stanbridge**

This subdivision had some customers who wanted service. A highway project has paved over some track, but not irretrievably [see photo].

**St.Guillaume**

CMQ ‘cleared trees and opened it up to get a good look but did no work.’ Within the past month, the railway has stationed a locomotive in Sainte-Rosalie to serve the one remaining customer, Bunge. ‘Absent Canadian interswitch, that locomotive would be elsewhere.’ {e-mail to ANR&P}

[In 2012, when MMA moved to abandon the St.Guillaume sub, MMA was serving four customers, including Bunge – see 12#03B. The three CMQ is apparently no longer serving: Comax, Coop Federee, and Bell-Gaz, all with switches on the CN main line.]

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**MAINE**

**CMQ: US UNION CERTIFICATION***

5 December. **NMB CERTIFIED THE SMART TRANSPORTATION DIVISION AS THE OFFICIAL UNION OF TRAIN AND ENGINE SERVICE EMPLOYEES.** Union officials announced this day that National Mediation Board Investigator Cristina Bonaca held an election in which 10 of the 11 eligible employees voted for SMART (Sheet Metal, Air, Rail, Transportation) transportation division representation; one employee opted not to vote.

“Every department on this railroad that voted for representation (the carmen, maintenance of way, machinists, conductors and engineers) bravely stood together and have chosen SMART TD as their representative. They believe that there is strength in numbers,” said SMART TD Organizer Larry Grutzius. “I was glad to be a part of their effort and to see how strongly these new members feel about taking the steps to gain fair compensation for their labor.”

"We are looking forward to working with our brothers and sister on CMQR to help improve working conditions and their quality of life on the railroad," said SMART TD Director of Organizing Rich Ross. {SMART press release 7.Dec.15}
PAN AM: THOUSANDS OF CARS OF DIRTY DIRT

Orrington. **THE RAILWAY IS MOVING CONTAMINATED SOIL OUT OF THE FORMER MALLINCKRODT SITE HERE.** The first cars moved around 1 December. Some cars have been seen on Pan Am trains from Waterville to Portland. {Guilford Rail Sightings e-list}

**Contents**

1. History.
2. Contamination, remediation, legal.
3. Cleanup, transport, disposal.
4. Rail transport and railcars.

**NOT PERC**

Immediately next door to the Mallinckrodt plant lies the PERC (Penobscot Energy Recovery Company) waste to energy facility, completed in 1988. [See 1991 and 1997 aerial.] It does not use rail; the railcars on the three spurs next to PERC were enroute to or from the Mallinckrodt plant.

**Who is Mallinckrodt?**

The St.Louis-based company is currently a drugs and chemicals company. Formerly owned by Covidien, it was spun off by that company in 2013. Covidien in turn was bought by Medtronic in 2014. {Andrew Bulkeley in *The Deal* 16 June 14} However, Covidien has retained the Orrington liability.²

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² Mallinckrodt PLC is registered in Dublin, Ireland. Mallinckrodt was founded in St.Louis in 1867. In 1982 Avon bought Mallinckrodt, and in 1986 sold it to IMCC. In 2000 IMCC sold it to Tyco International. In 2007 Tyco spun off Tyco Healthcare (including Mallinckrodt) which renamed itself...
1. HISTORY

The Mallinckrodt site, formerly known as the HoltraChem Manufacturing Company, in Orrington Maine is located on a 235-acre site on the banks of the Penobscot River. Approximately 77 acres were affected by site operations including 50 acres that are developed and include the manufacturing facility, five landfills, a surface impoundment and a waste pile; the immediate plant area is approximately 12 acres.

It opened in 1967 and manufactured chlorine, caustic soda (sodium hydroxide) and chlorine bleach (sodium hypochlorite) used by paper mills. The plant also manufactured hydrochloric acid and the pesticide chloropicrin. The plant closed in September, 2000. In early 2014 the site was split into two properties, one owned by Mallinckrodt US LLC and one owned by the Town of Orrington.

Chlor-alkali process: seawater needed. The plant used a chlor-alkali process to separate sodium and chlorine from salt water. In this process, elemental mercury was used as a cathode to collect the sodium from the water. The chlor-alkali process is an older technology and has been replaced by mercury-free production techniques at newer plants and some converted older plants. When it stopped operations in 2000, HoltraChem was one of 13 chlor-alkali plants left in the country. There were as many as 30 chlor-alkali plants in the United States at one

Covidien. Mallinckrodt Pharmaceuticals became an independent company in 2013, but not the Orrington liability.

As the SEC filing about the 2013 Mallinckrodt spinoff states: “[A dollar amount] Reflects the expected transfer of an environmental liability related to a site located in Orrington, Maine to Covidien. This liability was historically managed by us; however, it is the legal obligation of a subsidiary that will remain with Covidien after the separation. Orrington, Maine and Penobscot River and Bay.

Note 20 to our combined financial statements included elsewhere in this information statement provides information regarding investigation and remediation of a site located in Orrington, Maine and the lawsuit styled Maine People’s Alliance and Natural Resources Defense Council, Inc. v. HoltraChem Manufacturing Company, LLC and Mallinckrodt US LLC regarding an investigation being conducted in the Penobscot River and Bay. The liability for such remediation has been included in our combined financial statements since the liability had historically been included in the Pharmaceuticals business of Covidien as it was historically managed as part of Covidien and its subsidiaries prior to completion of the separation. However, the entities with the liability for such investigation and remediation will not be transferred to Mallinckrodt as part of the separation. Accordingly, this liability will remain with Covidien.”

[http://www.sec.gov/Archives/edgar/data/1567892/000119312513034750/d467783dex991.htm]
Ownership and operation: 1967-2000

IMCC 1967-1982. The plant began operation in 1967, owned by International Minerals and Chemical Corporation (IMCC), which in the 1990s became known as the Mallinckrodt Group. In 1974 IMCC sold the plant to Sobin Chemical, a subsidiary of IMCC that was absorbed back into the parent company in 1977. During this period, IMCC or one of its affiliates discharged mercury waste directly into the river, then constructed and used five landfills that remain on-site today for the disposal of mercury and other waste.


2. CONTAMINATION STUDY, REMEDIATION LEGAL PROCESS

In 1986, the EPA entered into an administrative agreement with LCP requiring investigation of the Site. After Hanlin (previously known as LCP) pursued court action in 1989 alleging that IMCC was responsible for the environmental hazards at the Site, Hanlin and IMCERA (previously known as IMCC) in 1991 entered into a private settlement agreement whereby IMCERA assumed responsibility for certain costs of studying the Site.

EPA filed an action under the federal Resource Conservation and Recovery Act (RCRA) in 1991 against Hanlin. In 1993, the U.S. District Court entered a Consent Decree ("1993 Consent Decree") between Hanlin and EPA that required Hanlin to investigate pollution at the Site and develop remedial alternatives for the Site.

1993 Consent Decree did not require implementation of corrective measures.

The plant was sold in 1994 to HoltraChem Manufacturing Company, LLC, which operated the plant until it ceased operations in 2000. The 1993 Consent Decree was modified in 1995 to add HoltraChem as a party.

Site investigations
HoltraChem and Mallinckrodt performed the Site Investigation in 1995 and 1998, with oversight by EPA and the Maine Department of Environmental Protection (DEP).

After HoltraChem dissolved in 2001 post-bankruptcy filing, DEP dealt exclusively with Mallinckrodt on issues related to the Site including developing alternatives for remediation, i.e., the Corrective Measures Study. Initially EPA was the lead agency, and DEP was a partner in this process. Later DEP took over the lead for the Site during the development stages of the Corrective Measures Study.

By 2010, the Town of Orrington was the owner of the Site, by virtue of a tax lien certificate filed in 2002 and subsequent foreclosure in 2003. {Maine Board of Environmental Protection order 19.Aug.10}

Final cleanup decision
The final Clean Up decision for corrective action for the Mallinckrodt site requires the removal of two landfills and updated maintenance of the remaining three landfills; the removal of contaminated soils, sediments, and
contaminated structures; and the treatment of groundwater and surface water. A number of studies are required as part of the implementation planning, as well as transportation infrastructure upgrades to support removal of contamination from the site. {DEP website}

3. CLEAN UP, TRANSPORT, DISPOSAL
The cleanup decision for the site is contained in two orders; a DEP Order 24 November 2008 and a Board of Environmental Protection Order 19 August 2010. Together these orders address actions to occur on the 235-acre site.

Site landside cleanup
The Site cleanup requires: removal of landfills 1 and 2; updated caps on the remaining three landfills (3, 4, and 5); removal of contaminated soils and contaminated structures; treatment of contaminated groundwater and surface water; removal of contaminated onsite sediments and Penobscot River sediments near the site; studies to implement the order and to delineate contamination areas; transportation infrastructure upgrades to support removal of contamination from the site; comprehensive monitoring including air quality monitoring; restoration of onsite streams; and site security. {DEP website}

River cleanup: separate issue and project
The above actions did not address mercury contamination of the Penobscot River. On 2 September 2015, Mallinckrodt, a St. Louis-based company, owned and operated the plant from 1967 to 1982. The company, unbeknownst to state officials, discharged mercury directly into the river in the form of contaminated “brine sludge” at a rate of 1.5 to 2.5 pounds of mercury per day during the company’s initial ownership of the plant. While the amount of discharge declined after 1970, and sludge was buried in landside fills, Mallinckrodt continued to send some of the heavy metal into the river through 1982, according to court documents.

HoltraChem Manufacturing Co., shuttered the plant in 2000 and declared bankruptcy. But as the sole remaining former owner still in business, Mallinckrodt was deemed responsible.

The contamination spread far enough into the estuaries along the river that scientists working for the federal court sought special permission to notify state officials in 2011 about dangerously high mercury levels found in black ducks, according to previous court records. The state responded by issuing a consumer warning and posting signs in Mendall Marsh telling women and children to avoid eating waterfowl from the area and for all others to limit how much they ate.

In 2014 the Maine Department of Marine Resources closed a 7-square-mile area at the mouth of the Penobscot River to lobster and crab harvesting for two years because of mercury contamination.

Woodcock rejected Mallinckrodt’s contention that the company should take the lead in any further studies and remediation. “The problem is public trust,” Woodcock wrote. “To entrust the cleanup to the polluter would be viewed as naive.” {Kevin Miller in Portland Press Herald 3 Sept. 15}

Orrington. The car liner now contains dirty dirt; workers are zipping it closed. The car will then receive a cap. {MDEP}
following a three-week bench trial in 2014, Federal District Court Judge John Woodcock ordered Mallinckrodt to pay to develop a detailed plan to clean up mercury in the Penobscot River, setting the stage for an estimated $130 million cleanup, one of the largest and costliest environmental remediation projects in Maine history.

He agreed with the two plaintiffs, the Maine People’s Alliance and the Natural Resources Defense Council, that the Penobscot estuary “continues to suffer irreparable harm from ongoing mercury contamination.”

Woodcock ruled an engineering firm will study the range, cost and practicality of removing the toxic heavy metal from the river bottom near Orrington down to the mouth of Penobscot Bay.

While not the definitive cleanup order plaintiffs have been seeking since 1999, the decision was hailed by Maine People's Alliance Executive Director Jesse Graham: “I think it is pretty definitive that they will have to pay to clean up the river, but we need the engineers to tell us how it should be done.” {Kevin Miller in Portland Press Herald 3.Sept.15}

Transport of what?

In 2010, in front of the Board of Environmental Protection, Mallinckrodt and DEP representatives disagreed on the ability of the chosen disposal site, Stablex in Blainville, Quebec, to handle all the contaminated soil. Stablex has handled such waste for more than thirty years, including disposal of other waste shipped there when HoltraChem owned the site.

Stablex the solution for hazardous waste. ‘For example, Mallinckrodt witness Mr. Kasper testified that processing capacity at Stablex is limited to 300 metric tons per day. The Commissioner's remedy would require an estimated 360,330 tons (240,220 cubic yards) to be disposed of off-site over a period of several years, approximately 240,000 tons (160,000 cubic yards) of which would require disposal at a hazardous waste facility such as Stablex. Mallinckrodt argued that accepting this amount of waste from this Site would leave Stablex unable to service other customers.’ {page 27}

How many tons of hazardous waste? The BEP required Mallinckrodt to remove only landfills 1 and 2, reversing the DEP order to remove the other three landfills. {page 53} It estimated the weight of one cubic yard at 1.5 short tons. {page 22}

In its 2008 order, DEP stated one option: ‘The total volume of material to be excavated was estimated at 246,720 cubic yards. Eighty thousand one hundred (80,100) cubic yards would be transported to an industrial (special waste) landfill and one hundred sixty thousand one hundred (160,100) cubic yards to a hazardous waste landfill.’ {page 18}

DEP’s Stacy Ladner wrote on 11 December 2015: ‘The breakdown that we had for the waste back in 2010 was 159,000 yd3 would be leaving the site [as hazardous waste] with 58,700 yd3 going as a special waste. As I mentioned, I expect this to change as they continue their testing of the site.’ {e-mail to ANR&P}

Thus roughly 240,000 tons needs to go to Blainville, or 2,400 railcars. Editor

Transportation to Stablex. ‘Mallinckrodt testified about the number of truck trips that would be required to transport wastes to the Stablex facility if the Commissioner's remedy were implemented, asserting that it will result in unnecessary traffic and accidents, damage to roads, and increased emissions of greenhouse gases and other air pollutants.

‘The Commissioner responded primarily by arguing that rail transport makes the most sense for this Site. There is a railroad spur at the Site, and it was used for years to ship chlorine and other products until the facility closed in 2000. Commissioner witness Mr. Lavallee testified that an inspection by Maine Department of Transportation staff in 2008 suggested the rail spur's condition was generally good.

‘Mallinckrodt testified that the existing rail siding and loading facility have been out of operation for approximately ten years and would require repair and upgrades costing approximately $500,000 prior to use, with annual maintenance costs of approximately $125,000. Commissioner witness Ladner testified that rail transport has proven cost-effective in transporting mercury-contaminated media at other projects including the
5. The quantity of waste shipped to the various disposal locations

- General Debris – Juniper Ridge
  - Roll-off 1 - 7,040 lbs or 3.52 tons
    - Total mercury results: 0.06mg/kg and 0.14 mg/kg
- Transit – Juniper Ride
  - Roll-off 1 - 14,980 lbs or 7.49 tons
    - Total mercury results: 0.13mg/kg and 0.054 mg/kg
  - Roll-off 2 - 17,060 lbs or 8.53 tons
    - Total mercury results: 0.13mg/kg and 0.097 mg/kg
  - Roll-Off 3 - 15,400 lbs or 7.7 tons
    - Total mercury results: 0.04mg/kg and 0.13 mg/kg
  - Roll-off 1 – 6,670 lbs or 3.34 tons
  - Roll-off 2 – 6,670 lbs or 3.34 tons
    - Hazardous roll-offs are not sampled because the material has already been deemed hazardous based on pre-characterization results or site knowledge

Excerpt from Monthly Status Report, January 2015. Waste by rail did not begin until December. {Mallinckrodt site}

Commissioner's Order, as modified by this Decision, the Board encourages the use of rail to transport contaminated media from the Site to disposal facilities to the extent possible.’ {page 28}

4. RAIL TRANSPORT AND RAILCARS

Mallinckrodt put out the cleanup to bid; US Ecology won the bid, MDEP’s official overseeing the remediation, Tracy Ladner, said. On 11 December, US Ecology was in its second week of moving out railcars. {ANR&P discussion}

4.1 Licensing of railcars and railroads?

Maine statutes require that any entity transporting hazardous waste be licensed. “‘Transporter” means any person who transports hazardous waste in this state in any quantity. The term includes, without limitation, individuals who own, lease or otherwise control conveyances in which hazardous waste is transported, operators of such conveyances, and businesses regardless of size and form of business organization, which engage in transportation of hazardous waste.’ {Maine DEP Rules Chapter 853 section 3}

List of active transporters. EQ Northeast, part of US Ecology, is listed on MDEP’s ‘List of Active Transporters’ dated 1 December 2015. Rick Kaselis, one of the managers of the hazmat transporter licensing program, explained that the license is issued to EQ Northeast, which has provided MDEP with a manifest of 30 or so railcars it is using to transport the hazmat.

Kaselis added that Pan Am, as the mover of the conveyances, does not need a license. {ANR&P discussion 18.Dec.15}

The MDEP form to list conveyances requires ‘only the cargo-carrying portion of the conveyance. (For example, in the case of a tractor-trailer combination, only trailer is required to be licensed.)’ {text of form from MDEP website}

PAN AM: NUCLEAR WASTE

13 December, Westford. DEPARTMENT OF DEFENSE RAIL CARS WERE HAULED OUT OF PORTSMOUTH NAVAL SHIPYARD, with two nuclear flasks aboard, headed for Hanford, Washington. {email to ANR&P from Mitch Cobb}

14 December, South Portland. **THE SOUTH PORTLAND CITY COUNCIL MAY PROPOSE A MORATORIUM ON NEW PROPANE TERMINALS** for six months, which would delay NGL’s proposed move from Yard 8 in Portland to Rigby Yard in South Portland. It must move to make room for the proposed cold storage warehouse at the Portland Marine Terminal [see 15#03A & 03B].

The move
On 14 December, Planning Director Tex Haeuser informed NGL representatives that the company’s proposal, which was found lacking when it was submitted in September, is now considered complete after the company provided additional materials.

Barring a moratorium, the Planning Board could hold a public hearing on the NGL proposal as early as 12 January, when the board may seek additional information, Haeuser said in his letter to the company.

The moratorium
On 9 December the City Council killed a proposed moratorium; under City Council rules a new proposal cannot be introduced for 12 months.

But one councillor, Eben Rose who opposes the terminal, on 21 December will seek a reconsideration of the vote to kill, and request instead that the Council send the proposed moratorium to the Planning Board for review and recommendation. However, other Council members believe that a Council vote would not produce the five ayes needed to pass the moratorium, whatever the Planning Board recommends. {Kelley Bouchard in Portland Press Herald 16.Dec.15}

**Chamber of Commerce opposes moratorium**
On 15 December, the South Portland Chamber of Commerce issued a statement which read in part:

‘The Chamber of Commerce board voted to oppose any efforts to modify the city’s fire code or pursue a moratorium with the intended effect of prohibiting the proposed storage depot. This project should be considered on its own merits, pursuant to existing laws, ordinances and municipal processes. ...
‘[The Chamber] encourages the city to permit this business proposal, as well as future proposals, to proceed as regulated by [existing] ordinances and planning processes. [Such consistency] encourages business growth, economic development, and continued prosperity in our region, while also ensuring an efficient process that nevertheless takes into account the health, safety and welfare of [South Portland’s] citizens.’ {text as reported by Kelley Bouchard in Portland Press Herald 15.Dec.15}

EASTPORT: WOOD CHIPS AND IRON ORE*

16 November. THE PORT AUTHORITY RECEIVED AN INQUIRY ABOUT HANDLING UP TO 7 CONTAINERS OF SMOKELESS POWDER IRON ORE, Director Chris Gardner told the Board. The US Coast Guard considers it an explosive (Gardner called it a low-risk cargo), so a two-thirds vote of the Board was needed.

Board member Bob Peacock said the port had seen blasting caps, gunpowder, missile warheads, and ammonium nitrate. The Board approved the shipment. Gardner said on 14 December that if the shipment moves through Eastport, it would happen in January.

Cows
The Board heard that the shipment of cows, last done in 2013, was again a possibility.

Operator agreement
The Authority and Federal Marine Terminals have agreed to the terms of a four-year renewal to operate the Estes Head terminal. Some terms:

- FMT will pay $1100 per month for the rights to the conveyor system [not currently in use, awaiting wood chips or other product – editor], increased 10%.
- FMT will assume the insurance and maintenance of the new 30,000SF warehouse #3.
- FMT gives up exclusive rights to 20,000SF warehouse #5.

Woodchips
Some days later, Stephean Chute of Phyto-Charter discussed the prospects for wood chips. He attended the Pulp and Paper Summit [see 15#11B], where he learned that low-quality wood fiber “is the river upon which the forest industry runs.” Wood harvesters “need an outlet for low-quality or residual wood for biomass to make it feasible to continue with sustained harvesting for high-quality wood for roundwood pulp and saw logs.”

If the harvesters can market all of the wood fiber, they can lower the cost for the entire operation. Wood chips, then, can provide “a sustained market for low-quality wood.”

The shipboard heating system [see 14#08B] is still under construction by Nyle System of Brewer. Chute had no projected date for completion of the system or the beginning of wood chip shipments. {Edward French in Quoddy Tides 27.Nov.15; ANR&P discussion 14.Dec.15}

Ship calls

Eastport. Star Lima loaded 9000 tonnes of wood pulp for Italy on 21 November. Star Kraven loaded 13,000 tonnes for the Far East on 22 November. HC Jette-Marit loaded an unstated amount for Turkey on 3 December.

Bayside. Balder loaded aggregate for Trinidad on 1 November, returned to load the same for Bermuda on 11 November, again to load for an unstated destination 22 November, and again for Cuba on 4 December. Eidsvaag Vinland loaded fish food for Newfoundland on 13 November. Coastal Reefer loaded seed potatoes for Cuba on 20 November. Balsa 8 loaded salt on 7 December. {Quoddy Tides 27.Nov.15, 9.Dec.15}
MASSACHUSETTS

MBTA: DEBT THREATS*
16 December, Boston. **MAJOR RAIL AND SUBWAY PROJECTS ARE PUSHING THE STATE OVER THE DEBT CEILING:** new Orange and Red Line cars  [built in Springfield by CRRC – see 15#10A]; the long-delayed South Coast Rail line to Fall River and New Bedford (supposedly due in December 2016); Fairmount Line commuter rail improvements; South Station expansion plans; the Green Line Extension, and the Pioneer Valley Knowledge Corridor improvements linking Springfield and western Massachusetts towns to Vermont.

Not sidetracked
State lawmakers did not sidetrack the rail projects into a funding path that would have no impact on the debt ceiling the way they did with the $300 billion Accelerated Bridge Program. Officials of former Governor Deval Patrick’s administration set up the structurally deficient bridge emergency repair program in a way to avoid $1 to $2 billion in inflation and deferred maintenance costs. The program was financed by borrowing against future federal highway funding and gas tax revenues. There are limits on how far special funding arrangements like that can go, so the General Court pursued a different route for the rail projects.

Legislators know that the Commonwealth has a good bond rating. Moody's assigned an Aaa rating to the bonds for the rail program but noted that additional leverage or decline in the pledged revenues that materially weakens debt service coverage’ could make the rating go down.

Backers of individual transportation projects will push to raise the debt ceiling to accommodate big-ticket projects that grow more expensive with each passing month, or to pare the list down to what the Bay State can afford in existing tax dollars. Voters have made it very clear that they will not contribute any more than they already do. {Gabrielle Gurley in Commonwealth Magazine 16.Dec.15}

PAN AM: NEW ENGLAND TRANSRAIL*
14 December, DC. **THE STB RELEASED EPA'S LETTER SUPPORTING A GREEN LIGHT FOR THE TRANSRAIL APPLICATION CONSIDERATION.** NET itself asked for the Board to proceed with its request to form a small railroad and serve local customers, and EPA filed its opinion on 6 November. The Board noted:

‘As relevant here, on November 6, 2015, the EPA submitted an environmental comment with OEA, stating that, given its investigatory findings to date and the fact that a Record of Decision will not be issued until 2017, the facts no longer support continuing to defer the Board’s environmental review process. EPA further states that it has no objection to the Board lifting its deferral and re-opening the proceeding provided NET’s plans do not involve redevelopment of certain areas identified as not suitable for redevelopment.’

The history – back to 2005
New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway (NET) filed a petition for exemption 5 December 2005 to acquire 1,300 feet of existing track, construct 6,200 feet of new track, and operate as a rail carrier over the combined 7,500 feet of track on and adjacent to a parcel of land owned by the Olin Corporation and located in Wilmington and Woburn, Massachusetts.

In 2007, the Board found that, under the proposal, NET would, if authorized, become a rail carrier subject to the Board’s jurisdiction. It noted that, before it could address whether to authorize NET’s proposal, the parties would need to submit evidence on the transportation merits of the proposal, the Environmental Protection Agency (EPA) would need to complete its Remedial Investigation and Feasibility Study, and the Board would need to complete its own environmental review.

Then Congress enacted the Clean Railroads Act of 2008 (codified at 49 U.S.C. §§ 10501(c)(2), 10908-10910 (CRA), which largely removed from the Board’s jurisdiction the regulation of solid waste rail transfer facilities such as the one planned by NET.
In 2010, NET filed a status report stating that it planned to pursue its petition for exemption and that it would not transload solid waste at the facility unless it obtained all legally-required approvals to do so in the future. NET continued to request that the Board complete its environmental review and approve its proposal.

In 2011, the Board concluded that, as the EPA had not completed its investigation and study, the Board would continue to defer its environmental analysis and decision on the petition until relevant reports had been issued by the EPA. It reiterated this in 2012.

On 18 August 2015, NET asked the Board to lift the deferral referenced in the June 2012 decision. NET explained that significant additional work had been undertaken by the Olin Corporation and the EPA since EPA’s original request for deferral and that, based on certain EPA actions, EPA no longer believes deferral of the Board’s environmental review is necessary.

‘In response to NET’s status report and request for clarification, the Town and the Wilmington Environmental Restoration Committee separately filed comments on 8 September 2015, and 7 October 2015, respectively, asking the Board to deny NET’s request to lift the deferral in this docket.

STB seeks comments and will decide

‘The Board will accept EPA’s 6 November 2015 environmental comment into the record.’ The Board will provide a 20-day comment period, with comments due by 4 January. ‘The Board will issue a separate decision on the merits of NET’s request to lift the deferral of the Board’s environmental review at a later date.’ {STB website, decisions page, FD 34797}

NEW HAMPSHIRE

MBRX: UPDATES

16 December, Wilton. THE RAILROAD HAD ‘A GOOD YEAR, BEST SINCE 2009’, President Peter Leishman wrote. ‘Shut down for the season [11 December]. Next year we are upgrading the remainder of the State-owned line to Granite State’s quarry to 112-pound rail.’

Groveton. Pan Am engine MEC 52 leased to NHCR. SLR train #394 rolls east past the station, closed in the early 1930s, on 10 December. {courtesy Gary Knapp}
Pan Am trackage fee litigation

‘Still no word from PAR concerning our on-going litigation.’ {e-mail to ANR&P}

Pan Am sued MBRX to recover purportedly unpaid trackage fees. In September, the two sides agreed to mediation, but not on a mediator nor on a date to begin [see 15#09B and documents filed in court in 15#111A].

NHCR: LEASED LOCOMOTIVE ++

10 December, Groveton. **PAN AM HAS LEASED ITS MEC 52**, in the livery of Maine Central, to NHCR. {courtesy Gary Knapp} [A request for comment from NHCR was not returned by publication time.]

Reportedly, the 52 is on three-month lease to NHCR to move tank cars into position on NHCR for storage. {Greg Baldwin in NERAIL photo archive 12.Dec.15}

Groveton. Showing where the SLR 1-mile stub leads off the SLR main to the state-owned line to Hazens. {ANR&P}
PAN AM: SEA-3 OKAY GRANTED
15 December, Concord. THE SITE EVALUATION COMMITTEE ISSUED A FINAL ORDER GRANTING SEA-3 THE EXEMPTION IT SOUGHT from a year-long review of the planned expansion of its propane storage and distribution facility. In a 33-page ruling, the SEC outlined a settlement agreement reached by Sea-3, the cities of Portsmouth and Dover, and a group of Portsmouth residents [see 15#11A], but also determined, independent of the settlement, that the exemption should be granted.

Exemption granted despite settlement
The SEC ruled: ‘Despite the substantial agreement of the parties, the Subcommittee must make an independent determination as to whether an exemption from the requirements of RSA 162-H should be granted. In conducting that analysis, the Subcommittee must follow the requirements of RSA 162-H:4, IV. The Subcommittee cannot grant an exemption, even a conditional exemption, unless the requirements of the statute are met.

‘[New Hampshire Revised Statutes Annotated] 162-H:4, IV, provides that the Subcommittee may exempt a proposed energy Facility from the application and certification requirements of the statute in cases where the Committee “determines that other existing statutes provide adequate protection of the objectives of RSA 162-H: 1” and provided that the following requirements are met:

(a) Existing state or federal statutes, state or federal agency rules or municipal ordinances provide adequate protection of the objectives of RSA 162-H: 1;

(b) A review of the application or request for exemption reveals that consideration of the proposal by only selected agencies represented on the Committee is required and that the objectives of RSA 162-H: 1 can be met by those agencies without exercising the provisions of RSA 162-H;

(c) Response to the application or request for exemption from the general public indicates that the objectives of RSA 162-H: 1 are met through the individual review processes of the participating agencies; and

(d) All environmental impacts or effects are adequately regulated by other federal, state, or local statutes, rules, or ordinances.

‘In this case, with the aid of the Settlement Agreement, the Subcommittee is convinced that SEA-3 meets the requirements for an exemption.’ {text of decision from SEC website}

Work to begin
Paul Bogan, vice president of operations for Sea-3, said on 17 December that the company is hoping to start engineering and costing work in January. Construction may begin in the “early, early spring,” allowing Sea-3 to use the expansion by winter of 2016-2017. {Jeff McMenemy in seacoastonline.com 17.Dec.15}

RHODE ISLAND

PROVIDENCE - MID-AMERICAN SALT
The article is based on a telephone interview with Josh Hunter, sales manager of Mid-American Salt, based in Fort Wayne. In 2015, Mid-American became a tenant at ProvPort.

Contents of article
1. Company history.
2. The Moroccan mine & its salt; marine terminal.
3. Transportation and areas served.
5. Possible rail.

1. COMPANY HISTORY
Mid-American Salt was established in Fort Wayne in 2012 as a road salt provider, sourcing product from the major salt companies and supplying it to regional users.

During the winter of 2013-2014, as a young salt company it was not getting adequate service from the mining companies. In seeking their own supply, company officials, being ambitious, looked at “the whole picture” including overseas sources. In Morocco, they found a deep mine owned by Societe de Sel Mohammedia (SSM).

Agreement with SSM
Mid-American, said Hunter, and SSM have agreed, under a long-term partnership, that Mid-American is the exclusive supplier for North America.

2. THE MOROCCAN MINE & ITS SALT
According to the SSM website, the mine was established in the 1970s in Mohammedia, north of Casablanca on the Atlantic coast, with four billion tonnes of reserves. By 2013 it had extracted over four million tonnes using the “room and pillar” deep mining method. SSM can mine more than one million tonnes per year. {SSM website}

http://www.ssm.ma/Product.html

Incidentally the method proposed to mine coal under the seabed off Cape Breton: the Donkin Mine.
The mine operation has received its ISO 9001 certificate, Hunter said.

**Salt quality**
Per the Mid-American website, ‘SSM Rock Salt is manufactured in compliance with ASTM Specification D632-01 Type 1, Grade 1.’ The spec requires purity of 95%, while SSM salt is 97.89 – 99.50% pure, “of the highest quality,” Hunter emphasized.

**Uses**
SSM’s website notes its use for:

Water softening. Via ion exchange.

Industry. SSM is the exclusive producer and supplier of dry rock salt to the chlor-alkali industries [18] in Morocco, for the production of caustic soda, plastics such as polyvinylchloride (PVC), and more than 14,000 other uses.

Animal nutrition.

Deicing. Hunter said the salt far exceeds the industry requirement. It is the purest and driest deep-mined salt available.

**Moroccan terminals**
SSM was using the Mohammedia port, which can accept vessels to 6,000 tonnes. By using Casablanca [see photo] it can load much larger vessels. Mid-America charters its ships.

**US uses**
Hunter noted that he is supplying customers in addition to those wanting bulk road salt. Mid-American supplies industrial customers in each of its three markets.

Moreover, Mid-American has its own ice-melt, “Hot Rock.” In several US locations, it owns and operates packaging facilities supplying Hot Rock to local stores for retail customers.

In Providence and elsewhere, it is selling raw material to local packaging companies.

**3. TRANSPORTATION, AREAS SERVED**
In Casablanca, SSM is loading a ship “almost around the clock,” said Hunter. His website shows three North American markets. “Each location presents a different possibility” for a combination of different uses of the Moroccan salt. Because of the quality of the salt, some of the uses “are not driven solely by price,” unlike road salt.

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8 See *Maine*. Let us hope that Moroccan chlor-alkali industries are not using mercury. *Editor*
Quality of service
In New England, said Hunter, in the first year he approached commercial customers “who were yearning for quality. We were welcomed with open arms, because they know they will get salt from the same mine with the same quality.”

Moreover, “we do not oversell our piles.” Customers will get the quantity they ordered.

East coast
Mid-American is now supplying Providence and Searsport. “Throughout New England we bid a lot, won a large portion, and beat out the typical supplier.” Hunter said Mid-American won over 50 towns.

Example: City of Newton, Massachusetts.
[See table.]

Great Lakes
During the winter 2014-2015, “we were the largest importer to the Great Lakes,” Hunter said.

[The company started as a regional supplier in Indiana, and in 2013-2014 found itself resorting to a market priority list, first serving state DOTs, then cities]
and counties, followed by commercial contractors. Mark Thiele, Mid-American’s vice-president, said in 2014: “The challenge for 2014/15 is securing the salt,” Thiele said. “North American salt is simply not available for that third tier. We’ve been working hard since March to find knowledgeable logistics partners to help us handle the logistics. The St. Lawrence Seaway has become a valuable resource to us. We are bringing eight vessels into the Great Lakes, coming into several ports. That salt is landing in a terminal and has to be moved to many different locations.” {Julia Kuzeljevich in Canadian Shipper 4.Feb.15}

Hunter noted that his company had a contract for 170,000 tonnes with Ohio DOT.

River system
Mid-American sends large ships to New Orleans, which are lightered into 2000-ton capacity barges for travel upriver to the Red, Missouri, and Ohio Rivers as well as up the Mississippi to its last navigable point in Minneapolis.

4. PROVIDENCE ARRIVAL: THE PIPELINE
Along the East coast, all salt terminals are supplied by overseas salt, mostly from mines in Chile. Now the Moroccan mine can also supply the region, which will “stratify the supply.” The ability of SSM to supply up to a million tonnes a year should end any shortages. “No ‘salt today, but none tomorrow’” as Hunter put it.

Moreover, with a 10-day sailing time, large supply, and the ability to load very large vessels, Mid-American has created in essence a “salt pipeline.” This should end the volatility of salt prices: “they will stagnate.”

By analogy, the lack of a propane pipeline for New England has led to extreme price volatility as the demand ebbs and flows.
Providence handling
[Mid-American has chartered a 45,000-ton vessel to ship the salt, which arrives at Berth Six, is stockpiled at the port, and trucked to clients in Connecticut, Massachusetts and Rhode Island.

Hunter said the company chose Providence because of its location and facilities. It has invested $100,000 in a commercial scale on its leased site. {Mary MacDonald in Providence Business News 31.Oct.15}

5. NO RAIL AT THIS POINT
Mid-American does not use rail at this time; all of its customers lie within 100 miles of a marine terminal. However, said Hunter, if his company bids on salt contracts in, say, Vermont which could be supplied from Providence, he would investigate rail delivery. {ANR&P discussion 14.Dec.15}

MARITIMES

SYDNEY: CHINESE PARTNER FOR BOX TERMINAL*
8 December. Harbor Port Development Partners have signed a Memorandum of Understanding with a major Chinese construction company to re a container terminal in Sydney Harbor.

‘China Communications Construction Company Limited (CCCC) [will] discuss arrangements related to the design, construction, and ownership of the marine container terminal [to cost in excess of $1 billion], as part of the deep water port development project in Sydney. In addition, CCCC will provide container cranes, gantries, and other port-related equipment.’

In 2016, CCCC will start a feasibility study of the project. ‘HPDP and CCCC are also engaged in discussions involving potential equity participation by CCCC in the port development project.’

About CCCC
CCCC, world’s largest port design and construction company, turned over business above US$70 billion in 2014. In addition to ports, CCCC manufactures dredging and heavy machinery; it leads the world in crane manufacturing. {HPDP release 8.Dec.15}

World Bank sanctions. In 2011 the World Bank debarred CCCC ‘and all its subsidiaries for fraudulent practices under Phase 1 of the Philippines National Roads Improvement and Management Project. Under the sanction, CCCC is ineligible to engage in any road and bridge projects financed by the World Bank Group until January 12, 2017. This action is based on recent changes in the World Bank sanctions system to clarify that successor organizations – through purchase or reorganization – will be subject to the same sanctions applied to the original firm.

‘CCCC is the designated successor entity to China Road and Bridge Corporation (CRBC) which, along with six other firms and one individual, was debarred by the World Bank for eight years, beginning 12 January 2009, following an investigation of the National Roads Improvement and Management Project by the World Bank’s Integrity Vice Presidency.’ {World Bank release, 29 July.11}

CBRM defends CCCC
Cape Breton Regional Municipality Mayor Cecil Clarke’s office is not concerned about the World Bank sanctions. Spokesperson Christina Lamey wrote on 10 December:

‘All aspects of the Port of Sydney are done under the legal protections and regulations of Canada. CCCC does $70 billion a year on every continent. They recently purchased a major construction company in Australia with the endorse of that country’s treasurer.’

CCCC is also rated A3 by Moody’s. ‘They said CCCC’s standalone credit strength in turn reflects its

large scale and long track record.

‘CCCCis #165 on the list of Fortune 500 companies and [listed] #5 … of top 10 international contractors by the Engineering News Record. They have 173 offices in 73 countries. We are pleased that CCCC are prepared to invest in the next stages of the development project at the Port of Sydney with industrial giant Bechtel. We are confident that their partnership in this project will be wholly beneficial to our goal to develop a world-class container hub.’ {e-mail to ANP&R correspondent Tom Peters 10 Dec. 15}

Skeptical voice

Former Amtrak President David Gunn, who now lives in Cape Breton, said on 11 December he doesn’t see the sense in developing the container terminal in Sydney.

Gunn said, “If you are in the container business you want to move the containers by ship as near to the market as you can. That’s basic economics.” Sydney is 1,000 miles from Montreal, the nearest big market, and the port really doesn’t have any operative rail at this point, he added [but see 15#09B].

Gunn said CBNS would likely “be willing to handle containers if there was volume and sufficient revenue. But the Sydney line is probably inoperable at this point and it’s a 10 mile an hour railroad and it is not much better from Port Hawkesbury to Truro,” he said.

Some estimate $150 million to rehab the line to doublestack trains and heavy container loads. Gunn agrees, noting at least two major bridges needing replacement and others in need of major repair. Plus the line had not a major tie program in years.

New York better. To service the major markets in Montreal, Toronto and the U.S. Midwest “you can pull into Port Elizabeth, where you are what, 300 miles from Montreal and God knows you have plenty of rail there and in better shape than the Sydney line. I’m not saying [container terminal development] can’t happen but the odds aren’t great and you have Halifax struggling to maintain its position.” {discussion with Peters 11 Dec. 15}

Not a done deal

HPDP CEO Albert Barbusci said work on the feasibility study and design has begun. The Chinese will visit the site in the new year. “It’s not a done deal until it’s a done deal, but they have already begun the work and they’ve studied the harbor and it’s just a great day to have the largest port construction company in the world agree to partner with us.” A major part of the puzzle is getting a long-term commitment from a major carrier and finding a terminal operator. Those efforts will continue, said Barbusci.

Mayor Clarke said also stressed: “The Port of Sydney will not move forward unless we have all the aspects of the supply and operating chain in place.” {Tom Ayers in Halifax Chronicle Herald 9 Dec. 15}
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.

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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.’