**ATLANTIC NORTHEAST**

**RAILS & PORTS**

Operating railroads + ports, intermodal facilities, and government environment

Helping to move rail and port traffic through New York, New England, the Maritimes, & eastern Québec. A weekly trade newsletter.

**Formal issue 16#01A 20 January 2016**

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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**

Rail-served propane terminals: The regulatory scheme covering them involves four regimes.
1. Private track and the 48-hour rule. Box of explanation.
3. Private track and STB-granted operating rights.
4. Private track and pre-emption of local regulation.*

**NEW YORK, QUÉBEC CONNECTICUT**
[No report.]

**MAINE**

Pan Am - Maine: More on the dirty dirt moving by rail out of Orrington.*

Pan Am: South Portland code enforcement reports even reduced NGL facility exceeds zoning.*

Pan Am: South Portland forgoes moratorium on new tank farms. Pro-NGL editorial. ++

** MASSACHUSETTS**

Pan Am: N.E.T resumption questioned.

New Bedford: No refrigeration diverts ships.

**NEW HAMPSHIRE**

CSRX: Sale to Jon Delli did not go through.

Pan Am – Portsmouth: Railroad suspends plans for own propane terminal here. To develop yard?

**RHODE ISLAND**

Seaview: A record 2015 in terms of rail traffic for the Quonset Business Park.*

Davisville: A record number of vehicles move through the port.*

Correction: LafargeHolcim cement originates in Ravena NY.

**VERMONT**

**MARITIMES**

CN-Saint John: PotashCorp mothballs mine.

CN-Saint John: PotashCorp ramps up new mine, ramps down old one. Salt too, but no rail.

Saint John: Receiving crude from US Gulf.

Halifax: Richmond Terminals sees more traffic, including offshore oil exploration.

**RAIL SHIPPERS/RECEIVERS**

A cross-reference to companies mentioned here.

**PEOPLE, POSITIONS, EVENTS**
[No report.]

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**FROM THE PUBLISHER**

Gasoline from Irving in Saint John hit $1.88 here in Freeport. Low prices forever? Not good for our railroads, nor for the environment.

- Chop Hardenbergh Next issue 3 February

THE REGULATORY SCHEME FOR RAIL-SERVED PROPANE FACILITIES*

The storage of 20 or so loaded propane cars in a Vermont town, Charlotte [see Vermont], brings out an intricate regulatory scheme governing private track at propane facilities.

Contents
1. Private track and the 48-hour rule.
2. Propane storage and EPA-required Risk Management Plans
3. Private track and STB-granted operating rights
4. Private track and pre-emption of local regulation.

The take-away: Merely because a track has become private and therefore not a line of railroad (not needing STB-granted operating rights), does not mean that it falls outside STB exclusive regulation, but it does mean that a car reaching the private track is off the railroad for purposes of tolling the 48-hour rule or the accumulation of demurrage.
**THE FRA AND THE 48-HOUR RULE FOR HAZMAT.**

The Code of Federal Regulations requires that railroads forward railcars of hazardous materials within 48 hours to the next interchange, or to the customer. CFR Title 49 states:

§174.14  **Movements to be expedited.**
(a) A carrier must forward each shipment of hazardous materials promptly and within 48 hours (Saturdays, Sundays, and holidays excluded), after acceptance at the originating point or receipt at any yard, transfer station, or interchange point, except that where biweekly or weekly service only is performed, a shipment of hazardous materials must be forwarded on the first available train.

(b) A tank car loaded with any Division 2.1 (flammable gas), Division 2.3 (poisonous gas) or Class 3 (flammable liquid) material, may not be received and held at any point, subject to forwarding orders, so as to defeat the purpose of this section or of §174.204 of this subchapter.


{TITLE 49—Transportation; Subtitle B—other regulations relating to transportation; CHAPTER I—Pipeline and hazardous materials safety administration, department of transportation; SUBCHAPTER A—Hazardous materials and oil transportation; §§174.1 to 174.750 - Carriage by rail}

**Interpretation: cars must reach ‘private track’ or the next carrier**

Transportation in commerce begins when a carrier takes physical possession of a hazardous material for the purpose of transporting it and it continues until the package containing the hazmat is delivered to the destination indicated on the shipping paper. 49 CFR 171.1(c).

One exception - hazmat rail cars...

As applied to hazmat, transportation continues until the car is delivered to "private track," even if it is delivered to its final destination indicated on its shipping paper. In other words, if a car containing hazmat is not on private track, it’s irrelevant what the shipping paper says – it’s in transportation. {Ernie Sirotek – HM Specialist R7, FRA Hazmat Seminar Reno, Nevada 25-27 June 2013}

**The creation of ‘private track’: must be exclusive**

In order to meet the 48-hour rule, when a propane terminal runs out of room for railcars, it may lease a siding or section of track from a railroad.

Private track is defined, for FRA purposes, as:

‘Track leased by a railroad to a lessee, where (1) the lease provides for, AND (2) actual practice entails, exclusive use of that track by the lessee &/or a railroad for sole purpose of serving the lessee.’

‘Private track only if railroad has NO control over or responsibility for the trackage or the cars on the trackage. ‘If railroad has any control, responsibility, or authority over a track or specific cars on a track, it’s NOT private track.’

Constructive placement is still considered on the railroad and subject to the 48-hour rule. {Ernie Sirotek – HM Specialist R7, FRA Hazmat Seminar Reno, Nevada 25-27 June 2013}

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**1. PRIVATE TRACK AND 48-HOUR RULE**

To satisfy the 48-hour rule, or to permit customers to stop demurrage billing, customers lease railroad side track, which is then designated “private track”. In the case of the 48-hour rule for hazmat [see box], the use must be exclusive.

Once the serving railroad has spotted the cars on the private track, the clock stops running on the 48-hour rule, and on demurrage.

**2. THE EPA AND PROPANE STORAGE**

Once the car moves onto private track, it moves into “storage”. EPA rules require that any terminal with at least one railcar have a Risk Management Plan [see box].
3. PRIVATE TRACK AND STB ‘LICENSING’
STB jurisdiction to issue operating rights only covers main line track. It does not extend to side tracks, or industrial tracks, etc.

‘The terms “spur, industrial, team, switching, or side tracks” (collectively, “spur” track) are not defined in the statute, nor does the legislative history of the Interstate Commerce Act reveal a clear Congressional intent regarding the meaning of these terms. *Brotherhood of Locomotive Eng’rs v. United States*, 101 F.3d 718, 726 (D.C. Cir. 1996). Moreover, there is no single test for determining whether a particular track segment is a “line of railroad,” or is instead simply a spur. Rather, the agency and the courts have adopted a case-by-case, fact-specific approach to make this determination. *McHenry*, 3 I.C.C.2d at 367.’ {New York City Economic Development Corporation--Petition for Declaratory Order, STB Finance Docket No. 34429, 15.July.04}[^1]

4. PRIVATE TRACK AND PRE-EMPTION
However, STB jurisdiction does extend to deciding whether it or local entities govern the activity on the track – that is, whether the local regulation is pre-empted. Note the citation to the Pan Am case in Ayer.

‘Under 49 U.S.C. 10501(b)(2), as broadened by the ICCTA, the Board has exclusive jurisdiction over rail

[^1]: My thanks to Cyndi Scarano of Pan Am for pointing out this case.
THE EPA AND THE RISK MANAGEMENT PROGRAM

EPA regulations, based on statute, require all propane facilities holding more than 10,000 pounds of propane to file a **Risk Management Plan**.

The requirement covers facilities which only store propane in railcars. Indeed, the regulations cover a facility with only one tank car, as even the smallest tank car has more than 10,000 pounds:

<table>
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<th>Number</th>
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<td>463-82-1</td>
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<td>20,000</td>
</tr>
<tr>
<td>Propene</td>
<td>115-07-1</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**Contents of an RMP**

The EPA-supplied form has sections describing the facility, and actions to take in ‘worst case’ as well as ‘alternative release’. It contains sections for a ‘prevention program’ (8) and ‘emergency response’ (9).

It then has an ‘Executive Summary’ and a narrative of the ‘RMP Management System’. Later sections contain a listing of ‘total pounds at facility’ and ‘5-year accident history’.

**Facilities in New England with an RMP**

At a glance, most if not all rail-served propane facilities in New England have filed an RMP with the EPA. [See other box.]

transportation, including “the construction, acquisition, operation, abandonment, or discontinuance of spur, industrial, team, switching, or side tracks, or facilities, even if the tracks are located, or intended to be located, entirely in one State,” even though Board approval is not required by such activities. Section 10501(b) further provides that both “the jurisdiction of the Board over transportation by rail carriers” and “the remedies provided under [49 U.S.C. 10101-11908] are exclusive and preempt the remedies provided under Federal or State law.” See *City of Auburn v. STB*, 154 F.3d 1025, 1029-31 (9th Cir. 1998), cert. denied, 527 U.S. 1022 (1999); Friends of the Aquifer, slip op. at 4; *Borough of Riverdale-- Petition for Declaratory Order--The New York Susquehanna and Western Railway Corporation*, STB Finance Docket No. 33466, slip op. at 5 (STB served Sept. 10, 1999).

‘In this proceeding, the Board has exclusive jurisdiction over the planned new track, and state and local regulation is preempted, because the new track will be operated by rail carriers (NS, CSXT, and Conrail) as part of the interstate rail network. The fact that the track owner, petitioner NYCEDC, is not itself a rail carrier is not relevant. And the fact that the new track is outside the Board’s licensing authority does not change this outcome.
The section 10501(b) preemption applies even in cases--such as the construction of switching and spur track, as involved here--where the Board lacks licensing authority and therefore does not conduct its own environmental review. Joint Petition for Declaratory Order--Boston and Maine Corp. and Town of Ayer, MA, STB Finance Docket No. 33971, slip op. at 8 & n.24 (STB served May 1, 2001), and cases cited therein.’ {New York City Economic Development Corporation--Petition for Declaratory Order; STB Finance Docket No. 34429, 15.July.04}

**MAINE**

**PAN AM MAINE: CARS OF DIRTY DIRT**

6 January, Orrington. *MORE ON THE MOVEMENT OF CONTAMINATED SOILS OUT OF ORRINGTON* came from the December *Monthly Status Report* issued by Mallinckrodt, based on information from US Ecology, the contractor handling the remediation here from mercury and other contamination. The first cars moved in December [see 15#12A]: ‘14 cars of excavated soil from the Leach Field area and 43 cars from the...

1. Origin - types and amounts of contamination.
MDEP anticipates that US Ecology will ship out three kinds of waste: general debris, hazardous waste, and special waste. MDEP will denotate the differences for a future issue.]


General debris is trucked to the Juniper Ridge landfill, owned by the State of Maine and operated by Casella in Alton. Other debris, metal, goes to A.I.M. {Monthly Progress Report Nov.15}

Special waste is moving by truck, and now by rail, to the Republic waste facility in Niagara Falls, New York.

Example of CIFX 804226. The Mallinckrodt Monthly Progress report for December 2015 contained a table showing that CIGX 804226, for example, was loaded on the 12th of November. It left Orrington on 2 December along with 31 other cars.
It arrived on 10 December after “6” days of transit time, according to the table, and was released empty on the 14th.
A car trace shows that CIGX 804226 left Republic on 12 December [no explanation for different date] and was due to reach Barbers, the CSXT-Pan Am interchange point in Worcester, on 20 December.
Assuming a few days to load and unload, and a few days on Pan Am to and from Orrington, US Ecology could get two turns a month for the cars on the Orrington-Niagara Falls route. {trace by colleague on 18.Dec.15}

Hazardous waste is moving by truck to the Stablex facility in Blainville, Quebec and will move by rail in the future.

3. The railcars and their licensing
Maine requires any transporter of hazmat be licensed, as well as the ‘conveyances’. EQ Northeast, part of US Ecology, is licensed [see 15#12A]. US Ecology has provided a list of 80 conveyances – 52-foot mill gondolas – to MDEP: 50 CIGX (CIT Group) cars, 24 CEFX (CIT Equipment Finance Corporation) cars, 2 JTLX (David Joseph Transportation) cars, and 4 NRLX (Bombardier Capital Rail) cars.

Destinations for waste from Mallinckrodt-Orrington. Some by truck to Alton (no rail access), and Blainville. Some by rail to Niagara Falls. Possible future rail route to Blainville shown. {ANR&P}
Licensing requirements. Rich Kaselis of MDEP, who handles the licensing of conveyances, described it as a paper-work process. No eyeballing of the car occurs. Rather, he checks that the paperwork reflects the ownership and the insurance.

4. Loading
Consultants CDM Smith and Geosyntec prepared a booklet for the decontamination process which describes
PAN AM: PROPANE STORAGE*

8 January, South Portland. **THE CITY ADDED THE STORAGE IN PROPANE TANK CARS TO PUT THE PROPOSED NGL TANK FARM OVER THE LIMIT** which current South Portland zoning allows.

Code Enforcement Officer Patricia Doucette sent a letter this day to NGL engineers Fay, Spofford, and Thorndike reporting that, ‘A number of residents have inquired of the Planning Department whether the rail cars themselves constitute “storage” and, if so, whether the amount of LPG product that NGL proposes to have on site (the leased premises) at any one time complies with the limitations on gas storage set forth in Sec. 27–984(14) of the Zoning Ordinance. The Planning Director and the City Manager have asked me to make a formal use determination pursuant to Sec. 27-131 of the Zoning Ordinance regarding this issue.’

The propane in the tank cars

She noted that in the NGL application, ‘the maximum number of rail cars that will be present on the leased premises at any one time is 18 full rail cars and 8 empty rail cars. This will be in addition to the single above-ground storage tank capable of storing 24,000 gallons of LPG product.’

Doucette allocated 30,000 gallons to each loaded tank car.

The city zoning

In the zone which includes Pan Am’s Rigby Yard (a part of which NGL would lease), the ordinance permits only 10,000 feet of gas in storage (storage meaning present for more than 24 hours), or its equivalent of 75,000 gallons. Doucette deemed the proposed 24,000-gallon tank as fitting under that 75,000-gallon limit, leaving only 51,000 gallons for rail car storage.

But NGL proposes 16 loaded cars, far above the permitted 51,000 gallons. ‘I hereby determine that NGL’s proposed use as set forth in its September 18, 2015 site plan application does not comply with Sec. 27–964(14) of the Zoning Ordinance’s 10,000 cubic feet gas storage limitation for the INR zoning district. NGL will need to amend its site plan application to comply with Sec. 27-984(14)’s storage limitation if it wants the Planning Board review process to proceed further.’ {text of letter}

NGL response

On 11 January, an NGL representative sent a letter to the city saying the company intends to submit modified plans within days that would address the compliance issue and go forward with a ‘possible’ public hearing on its proposal on 9 February. {Kelley Bouchard in Portland Press Herald 12.Jan.16}

PAN AM: NO PROPANE MORATORIUM*

12 January, South Portland. **THE PLANNING BOARD VOTED 6-1 AGAINST A TANK FARM MORATORIUM**, despite hearing from a majority of residents who favored it.

Board member Linda Boudreau led the opposition to a moratorium, saying that she believes the city has an obligation to let the NGL proposal go through the board’s usual review process. Other members said it would be wrong to change city ordinances after a project has been proposed and expressed confidence in the Fire Department’s ability to ensure the project is safe.

Pre-emption would come into play?

Russ Lunt, one of two residents who spoke against the moratorium, argued that blocking the NGL move could compromise the propane supply in Greater Portland. He added that Pan Am could build a propane depot in Rigby and invoke federal pre-emption.

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2 NGL could lease private track in Rigby and bring only one or two cars (25,000 to 30,000 gallons each) into its facility for unloading, thus staying under the 51,000 gallons. See Regional for regulatory scheme.
NGL response
Following the Planning Board vote, NGL issued a statement saying the company remains ‘committed to operating a state-of-the-art facility in South Portland that keeps over 50,000 homes, schools and businesses warm during winter and operating efficiently all year.’

City Council considers fire code amendment
On 11 January, the South Portland City Council directed city staff to develop a fire code amendment, based on a proposal drafted by citizens and brought forward by Councilor Brad Fox. It would require propane storage and distribution facilities to be developed at least 1,257 feet from anything considered ‘critical infrastructure,’ including schools, hospitals, medical clinics, public utilities, telecommunications, and government buildings such as the Cash Corner Fire Station near Rigby Yard. {Kelley Bouchard in Portland Press Herald 12.Jan.16}

SENSIBLE EDITORIAL
‘Twisting the fire code until it becomes a land-use regulation is hardly a fair process. People in Maine suffer when propane becomes scarce and expensive, and they deserve better treatment from South Portland.

‘Rigby Yard is in an industrial zone, and there are already as many as 100 rail cars loaded with propane every day moving through it. It even has an existing facility where propane trucks are loaded directly from rail cars. It already is a regional hub for propane distribution. But to hear the critics, the company is proposing a new and dangerous use that introduces new risk to people’s lives.

‘Residents have a right to demand that all reasonable efforts are made to keep them safe, but they don’t have a right to cut off other people’s fuel to satisfy every single imagined concern.

‘South Portland has a zoning code and an approval process that would balance the rights of all interested parties. Elected officials should let that process play out.” {Portland Press Herald 19.Jan.16}
containment structure. That structure was installed to prevent lateral migration of a diffuse layer of contaminants. EPA presumes that the slurry wall structure, which extends down to bedrock, would remain intact in the face of NET’s proposed construction and railroad operations. However, that is a tenuous presumption since recent groundwater data in an area adjacent to the slurry wall is suggestive of leaks in the structure and no information has been provided about site loading and vibrations associated with the proposed railroad operations. Moreover, it is unclear what agency, state or federal, would regulate this important but aging feature of the contaminated site going forward.’ {page 4}

Request
‘Wilmington again respectfully requests this Board to continue to defer its environmental review until the RI/FS process is fully complete, public review and comment is conducted, and a [Record of Decision] is issued by EPA.’ {page 6}

Olin comment
On 4 January, Olin Chemical, the polluter, in a 69-page filing stated to the Board:

‘First, we agree with USEPA that current Site conditions do not warrant continued STB deferral on granting New England Transrail's (NET's) petition. Additionally, Site development by NET will in no way impact our ability to comply with our understood obligations to investigate and remedy, to the extent necessary, environmental media both on and off the Site property.

‘We have reached a binding Option and Purchase Agreement with NET for continued access to the property for Olin, USEPA, and its contractors for performance of any and all investigation and remediation that is deemed necessary both now and in the future. We previously provided a redacted version of this Agreement to USEPA.’

Wilmington objection
The Town in its filing stated: ‘In closing, Olin states that “the entire 51 Eames Street property is suitable for redevelopment.”

‘In fact, in 2006 Olin entered into and recorded a formal Environmental and Open Space Restriction on approximately 20 acres of the 53-acre parcel. That land, which NET also would acquire from Olin, is prohibited from development and disturbance, such that it would not be available for either project-related or remedial activities.

‘For this reason -- and because of the existing fallout from the contamination in Wilmington -- there is no margin for error in the choice and implementation of remedial options for this Superfund Site, which EPA acknowledges is two years away from a Record of Decision. Olin’s misstatement about the status of the restricted area may have been merely careless and not intentionally misleading. Either way, it underscores the uncertainties and gaps in information provided to STB by those who favor immediate review.’ {page 6}

MassDEP comment: more detail, please
On 15 January, the Massachusetts Department of Environmental Protection filed a comment, saying in part: ‘The project's description has changed over the years and MassDEP believes it is appropriate for NET to fully set forth in detail the project, including engineering drawings depicting the placement of buildings and rail tracks, along with a description of the amounts and types of materials and wastes to be brought to the site, and a description of any processing to be conducted at the site. Without more detail about NET's project, MassDEP does not see how a proper environmental analysis can be conducted.

‘Specifically regarding EPA's letter, MassDEP has three other areas of concern. First, MassDEP notes that slurry wall (located along the perimeter of the containment area) has an unknown bearing capacity. MassDEP recommends a 50-foot buffer zone (or other specific delineated boundary) be instituted at the edges of the containment area to prevent any site redevelopment work from potentially damaging the slurry wall or temporary cap. MassDEP notes that the current configuration of New England Transrail LLC's proposed
development appears to encroach on this proposed buffer zone if not the containment area itself. (See Attachment 1 to EPA's Comfort/Status and Reasonable Steps Letter, May 13, 2015 attached to EPA's Nov. 6, 2015 letter.)

‘Second, MassDEP agrees with EPA's recommendation to the Board that a more rigorous full Environmental Impact Statement, rather than an Environmental Assessment, is more appropriate for the Olin Site. It would be helpful if the level and type of coordination between the Office of Environmental Analysis and EPA (meetings, updates, reports, etc.) be agreed to and explained prior to the commencement of the process.

‘Third, MassDEP asks EPA to clarify that if NET's redevelopment of the property interferes with the selected remedy for the site, then NET may take on liability for the remediation of the site.’

Wilmington Environmental Restoration Committee
The Committee listed several environmental concerns in opposing STB resuming its consideration of the NET proposal. {filings from STB website, filings page, case FD 34797}

NEW BEDFORD: NO REFRIGERATION
11 January. IN DECEMBER, TWO SHIPS OF CLEMENTINES WERE DIVERTED TO PHILADELPHIA by Morocco-based citrus exporter Maroc Fruit Board because of the unseasonable warm weather, said Pierre Bernier of Maritime International.

But on the 11th, stevedores at the State Pier were unloading New Bedford’s 7th ship of the season, the Baltic Jasmine. Some 3,527 pallets came off, each weighing 1 ton and holding about $2,000 worth of clementines.

In the 2014-15 shipping season, 16 vessels brought more than 43,000 pallets to the port, the program’s biggest yearly tonnage to date.

Product moved
“The lack of refrigeration has forced the customer to move the product to cold storage in Canada, and also required that we move some of the cargo to Maritime Terminal (just north of Route 6),” Bernier said.

“Without refrigeration for next season, we are going to lose the program. It is just not acceptable, considering the conditions we had this year, to not care for fresh fruit.” Bernier said Maritime is expects five or six more cargo ships this season, creating total tonnage near that of last winter. But the need for refrigeration makes next year uncertain.

Solution coming?
Ed Anthes-Washburn, port director for the Harbor Development Commission, said refrigeration at State Pier could extend shipping work into fall and spring shoulder seasons, and potentially into summer, with new programs from other parts of the world.

Massachusetts Department of Conservation and Recreation manages the State Pier. Spokesperson Troy Wall said on the 11th: “The Department of Conservation and Recreation recently completed a design for a refrigeration system at the New Bedford State Pier, and we look forward to further discussions with the community and stakeholders as this project continues to progress.”

On 18 January, Mayor Jon Mitchell said DCR’s management of State Pier “has been a failure for a long time,” there. He praised Governor Charlie Baker. “I applaud the Baker administration’s desire to dig into the long-term management of the facility. It needs to work better than it has.” {Mike Lawrence in New Bedford Standard-Times 11. & 19.Jan.16}

NEW HAMPSHIRE

CSRX: NO SALE
9 January, North Conway. THE SALE OF THE CONWAY SCENIC RAILROAD TO A PARTNERSHIP OF

PAN AM PORTSMOUTH: NO PROpane TERMINAL?*
12 January, Portsmouth. “WE HOPE NOT TO TRANSLOAD IN PORTSMOUTH,” Pan Am Executive Vice-president Cyndi Scarano said, asked about the Pan Am dismissal of its federal lawsuit against the City of Portsmouth. Pan Am filed it to get the City to recognize that a propane terminal in the Pan Am yard would not be subject to local regulation [see 15#10B]}. She acknowledged the railroad filed the notice of dismissal without prejudice, which means it could refile the complaint if needed. “That’s just kind of reserving our rights.”

The winter could prove tough
Scarano said that if “some sort of emergency” dropped the supply of propane to low levels, Pan Am could institute seasonal transloading in the yard. “Hopefully if it gets to that point everybody will be reasonable [and not try to block the transload] so people can have propane to heat their homes, schools, and hospitals.”

Sea-3 not yet enough
Sea-3 doesn’t yet have the storage capacity to deal with a “surge capacity when a storm happens,” Scarano said. She hoped by next winter that Sea-3 will have finished adding five car spots to the existing six, as well as three 90,000-gallon storage tanks [see 15#12A].

City comment
Portsmouth Staff Attorney Jane Ferrini said she does not “believe Pan Am will be doing transloading this winter” in downtown Portsmouth. “The city was able to engage in some very positive discussions with Pan Am and Pan Am was able to discuss getting LPG to its customers this winter with Sea-3. Those productive and positive conversations resulted in Pan Am withdrawing its lawsuit.”

Asked how the city would react if Pan Am did need to transload propane this winter, Ferrini said, “The city has worked cooperatively with Pan Am in the past and hopes to do so in the future.” If Pan Am did try to load trucks with propane on their property in downtown Portsmouth, it would be up to the City Council to decide what, if anything, to do. {Jeff McMenemy in seacoastonline.com 15.Jan.16}

Sea-3 delivery
Pan Am’s local DO-1 brought eleven cars into the yard on 14 January: 4 for Boise Cascade, one for Tyco cable, and 6 propane tank cars, the largest train in awhile. {GuilfordRailSightings e-list 14.Jan.16}

What future for the Pan Am yard?
Pan Am owner and chair Timothy Mellon recently included the Portsmouth Yard acreage as a possible revenue generator:

Another area of endeavor concerned the disposition of unused rail properties. As various lines have been abandoned, parcels of land previously used as rail yards in various cities have become available for sale or development. The most important of these has been Northpoint, an old B&M freight yard located in Cambridge just North of the Charles River. Consisting of approximately 43 acres, this piece of land was growing rapidly in value, but had no further use to the railroad, inasmuch as very little traffic any longer originated or terminated near downtown Boston. We knew it was growing in value because the property taxes kept going up!

We endeavored on several occasions to sell the entire yard to one party or another, but the economics in the last few decades of the 20th Century were just not conducive. The history of Northpoint will be developed further, below, in Chapter XVI. There are several other urban properties still ripe for development, not the least of which is the Maine Central yard adjacent to downtown Portland, Maine (recently sold), and a nice parcel in Portsmouth, New Hampshire. Our successful launching of the Northpoint project in Boston has provided us with the credibility to undertake these other
ventures, as time and economics dictate. We have always relied on the wisdom reflected in the old adage, “if we build something of high quality, there is no question that it will sell well.”


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**RHODE ISLAND**

**SEAVIEW: RECORD 2015**

7 January, West Davisville. ‘2015 WAS A MILESTONE YEAR FOR THE SEAVIEW RAILROAD AND THE QUONSET BUSINESS PARK’, according to a post on its Facebook page. ‘For the third consecutive year carloadings have been on the rise, with a record-setting 6,803 railcars arriving in 2015, more than 1,500 carloads over 2014.

‘This included the highest number of autoracks ever handled at the Port of Davisville. Most importantly the number of general freight cars, which includes plastics, steel, lumber, frozen food, and petroleum products has steadily increased after a period of decline, exceeding the previous record set back in 2004.

‘The record included several notable rail movements including outbound loads of automobiles arriving from Germany, inbound 80-car unit trains of automobiles arriving from the mid-west, and a shipment of poles that arrived at the Port of Davisville and was forwarded by rail to New Jersey. The list of commodities handled also grew with the addition of composite lumber products.

“At the Seaview we measure growth one carload at a time, and I am proud to say 2015’s numbers reflect this and then some,” noted Seaview President Eric F. Moffett. …

‘2015 also saw the continuation of passenger rail repair operations at the Seaview’s Quonset Rail Works facility, with several contracts completed for the Massachusetts Bay Transportation Authority.

‘In 2016 the Seaview Railroad plans to continue to encourage and support this upward trend in rail shipments. We look forward to the addition of new customers, including the J. Goodison Company and its facility on the Quonset waterfront [see future article].

‘With help from the QDC we will also continue to make improvements to the park’s rail infrastructure so we can safely and efficiently handle additional increases in carloads. Already this year a long-dormant siding was rehabilitated to provide additional car storage, and plans are underway to totally rebuild a section of track serving one of the railroad’s biggest customers.’ {Facebook page}

**DAVISVILLE: RECORD AUTOS**

8 January, Davisville. THE PORT DID MORE THAN 200,000 VEHICLES IN 2015, A NEW RECORD. Evan Matthews, port director for the Quonset Development Corporation, has scheduled a press event to discuss the record on 5 February. “The number has increased six-fold since 1995.” {ANR&P discussion}

**PROVIDENCE: CORRECTION**

The previous issue, 16#12B, stated that LafargeHolcim uses cement from Glens Falls, New York – but that plant belongs to LehighHanson, part of Heidelberg. LafargeHolcim cement actually originates in Ravena, New York, where LafargeHolcim is modernizing the plant. When done, it can produce 1.8 million tons per year.

{cementamericas.com} Mea culpa.

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3 One may obtain the book via a $9 donation to either Hillman College or a non-profit organization. See the Pan Am website.
VERMONT

VRS: MIDDLEBURY CLEARANCE

5 January, Middlebury. *VAOT IS OPEN TO REDUCING THE REQUIRED CLEARANCE FOR REBUILT BRIDGES HERE*, said Secretary Chris Cole.

**Background**

Sometime before 2008, the department, which owns the rail line and the bridges over it carrying streets, began a project to replace the bridges and in the process increase the clearance for the rail line beneath them to 21 feet.

Middlebury officials have long wanted a reduction in the scope and duration of the plan, which aims to replace the Merchants Row and Main Street rail bridges. The federal guideline requires 23 feet; state officials granted a waiver to 21 feet. Even that, though, would require a complicated project calling for, among other things, substantial rail bed excavation and the installation of drain pipes below the current grade to filter water into the adjacent Otter Creek. {John Flowers in *Addison Independent* 11.Jan.16}

**Possible change**

In a 5 January Letter to the Editor of the *Addison Independent*, Cole wrote:

Responding to local concerns during the 2015 Legislative session, VTrans asked the Legislature approve a reduced clearance from 23 feet to 21 feet, a deviation from State standards which was approved last session. Why 21 feet? Current state policy directs that all rail investments allow for double stack rail container clearance, addressing the anticipated future needs for freight movement along this rail line; today’s investments are anticipated to last for 100 years.

... I too have questioned the need for double-stack clearance on this line and have been asking many of the same questions as the editorial, but for me the jury is still out on what is the best investment for the future of Vermont. To assist the local project team, the selectboard, and VTrans to arrive at a decision point, I have asked our engineering team to evaluate construction costs and time to build a 21’ clearance verses a 19’ clearance which is slightly higher than the lowest height of 18’8,” one of the 10 clearance obstacles elsewhere on the rail line.

Why 19 feet? That is the height needed to accommodate rail car carriers [at least bilevel autoracks - editor] which could be a viable commodity to [move] along this rail corridor. With this information we can begin discussing costs and construction impacts verses the benefits of this infrastructure investment.
This is a policy question worth discussing before the [Vermont Rail] Council and I’ve asked that they address this matter at their next meeting on February 17, 2016. At that meeting we should have better information on the time and project costs associated with the 21’ standard versus a 19’ clearance.

{Town of Middlebury website}

VRS – PROPANE*

11 January, Charlotte. THE TOWN HAS CONCERNS ABOUT THE STORAGE OF LOADED PROPANE TANK CARS on a siding here, said Chris Davis, erstwhile local (and volunteer) fire chief.⁴

The situation

The siding. A passing siding, roughly 7/10th of a mile, was built in Charlotte to permit the short-lived Champlain Flyer commuter service to stay off the VRS main line. Since the Flyer stopped, VRS has used it to store cars [see 15#07B].

[Indeed, aerial and street views going back to at least July 2011 show tank cars parked on this siding. {Google, Bing, Apple Maps}]

July 2015 episode, empty tank cars. In July 2015, per Davis, residents found that the string of empty cars stored on the siding made unusable some private grade crossings giving them access to their land on the other side of tracks [some aerials show a split string giving access to the other side – editor]. Complaints and concerns were acknowledged, but so was the federal pre-emption of local regulation of the track use [see 15#07B].

⁴ Charlotte has only one full-time firefighter, and no police department, per Davis.
November 2015 episode, loaded tank cars. In October, Davis was told by VTR President David Wulfson that car storage would resume – with loaded cars – and that he would receive a letter about it “in ten days.” The letter and the cars arrived within a day of each other, at the beginning of November [see photo].

Concerned about the ability of his fire department to handle a propane spill or a fire, Davis began contacting state and federal agencies.

Though the cars left in mid-December, Davis continues to address the issue, and is working to create a required emergency response plan. {ANR&P discussion}

The parties involved.

State of Vermont, Agency of Transportation. VAOT owns the track between Burlington and Rutland, as well as some former railroad land adjacent.

VTR. The Vermont Railway leases the track, as well as other track throughout Vermont via sister companies.

Plains Midstream Canada, a subsidiary of Plains Mid-America Pipeline. Plains has a sublease of the siding from VTR. While VAOT, per Trini Brassard the assistant director of the PPAID division, does approve land leases of VTR line and property, it does not approve operating leases. The Plains lease is deemed an operating lease.

The operating lease of the siding transforms the siding into private track [see Regional], so that Plains may leave loaded cars at the facility.{e-mail to ANR&P 11.Jan.16}

MARITIMES

CN: NEW POTASH+SALT MINE/CLOSED INDEFINITELY ++

19 January, Picadilly. POTASHCORP ‘INDEFINITELY SUSPEND[ED] ITS PICADILLY, NEW BRUNSWICK POTASH OPERATIONS. The suspension is expected to result in a workforce reduction of approximately 420-430 people in New Brunswick. A core crew of approximately 35 employees will be retained at Picadilly to keep the operation in care-and-maintenance mode. …

‘To assist employees and local residents, PotashCorp will also be establishing a CDNS$5 million community investment fund which will include funding streams to:
· Help employees with job transition assistance, including skills training and educational support;
· Provide financial support to local businesses; and
· Support local charitable organizations.

…‘The Picadilly mine will be placed in care-and-maintenance mode at an estimated annual cost of $20 million in 2016 and $15 million in subsequent years. Should the company decide to resume operations at Picadilly, it would require a period of about one year. …

Rationale
‘By optimizing our production, we expect to increase our competitiveness and reduce cost of goods sold by $40-$50 million in 2016, although this will be partially offset by severance and transition costs. {See 13#12A for earlier global price problems.}

‘The suspension of potash operations at Picadilly will also eliminate significant capital expenditures, including capital of approximately $50 million in 2016 and $135 million in 2017/18.
Saint John still used
‘PotashCorp’s international customers that were historically served by New Brunswick will now be served from Saskatchewan through Canpotex. PotashCorp’s storage and loading facilities at the port of Saint John – including capacity of up to 2.5 million tonnes per year – will be made available to Canpotex.

‘East coast transportation costs – including rail costs and ocean freight – are expected to approximate levels currently realized through West coast delivery. The company’s volume entitlement within Canpotex will increase by 750,000 tonnes, representing an approximate 51.5% allotment beginning in 2016. {PotashCorp announcement}

Saint John comment
Saint John Port Authority CEO Jim Quinn said on 19 January: “In terms of impact to the Port, last year potash shipments were 5% of the total volume of cargo handled. What this announcement means going forward, based on last year’s total of 26.4 million metric tonnes of cargo, there would be a reduction of 2% overall. It is important to note that the strength of Port Saint John is in its diversity.

“IT is also important to note that while the total amount of potash will reduce, Barrack Point Potash Terminal will still operate. The terminal will continue to receive potash via rail from Saskatchewan.” {e-mail to ANR&P from spokesperson Paula Copeland}

24 December. POTASHCORP BEGAN TO RAMP UP PICADILLY AND CLOSE PENOBSQUI, at the end of November. Picadilly mine, about a kilometer south of Penobsquis, was developed at a cost of $2.2 billion and at full capacity will produce 1.8 million tonnes of potash a year. {PotashCorp financial statement 29.Oct. 2015}

Mine closure
Joe Holmes, mill general superintendent, said the closure of Penobsquis was accelerated somewhat because of market conditions. The mine was producing approximately 800,000 tonnes of potash and 600,000 tonnes of salt annually [see 13#12A].

“We have stopped potash mining in Penobsquis already but we are continuing to mine salt and we are continuing to pump brine. We have an inflow there so we continue to keep it dewatered. PotashCorp New Brunswick, a division of PotashCorp, with headquarters in Saskatoon, Saskatchewan, “will have a lower output in 2016 but given there is a lower anticipated demand for this will not be an issue with customers.”

The new Picadilly mine: both salt and potash
Holmes said, “We are ramping up on both. Once you put a shaft in you really have to do a lot of development so there is a ramp-up time. We call it a greenfield mine because it is completely separate from the other mine.”

For 2016 he anticipated production of about 480,000 tonnes of potash and between 400,000 and 600,000
tonnes of salt. “By the end of 2016 we hope to be back to present levels and maybe beyond. The long term goal is to reach 1.8 million tonnes of potash but we are not sure when that will happen. Market conditions will dictate.”

PotashCorp exports about 95% of its New Brunswick potash production. Brazil is the largest customer with other markets being Dominican Republic, Cuba, Columbia and southern United States. {Discussion with ANR&P correspondent Tom Peters 22.Dec.15}

Potash by rail
Per Holmes, ‘Typically 7,000 to 8,000 carloads of potash per year are railed to the port in Saint John. The cars are 100 tonnes each. In 2016 we will be at 4,500 to 5,500 cars. The following years we will meet and exceed the 7,000 to 8,000 car value.’ All salt moves by truck, and ‘that will continue for the time being.’

Salt ownership and logistics; no rail
PotashCorp owns the salt and sells it to Cargill De-Icing, the majority for domestic use, moved by truck. Cargill owns the salt once loaded onto a truck for domestic sale. Export salt moves by truck to a Saint John terminal; it becomes Cargill once aboard a vessel. {Holmes e-mail to Peters 24.Dec.15}

Salt by rail can only be loaded from the west dome at the Penobsquis mine, which per PotashCorp’s Wendy Osborne is ‘not available for use at this time.’ The company does not have other infrastructure to load salt into rail cars. {e-mail to Peters 7.Jan. 2016}

SAINT JOHN: SOURCES OF CRUDE
7 January. *US CRUDE IS FLOWING FROM THE GULF TO SAINT JOHN AND QUEBEC*. Of the average 290 Mb/d (million barrels per day) exported to Canadian refiners in 2014, 25% or 74 Mb/d, loaded at NuStar’s dock in Corpus Christi.

Sunoco’s Nederland terminal and the former Oiltanking Houston terminal, acquired by Enterprise last year, each shipped 19%, or 55 Mb/d, to Canada.

Valero’s Corpus Christi and Plains All American in St. James shared third place, shipping 37 Mb/d - or 13% - each.

Other loading points include NuStar’s facility in St. James (11 Mb/d), Trafigura Corpus Christi (also 11 Mb/d), Houston Fuel Oil Terminal (9 Mb/d), as well as Shell, St. Rose, Martin Midstream Corpus Christi and Enterprise Freeport with smaller volumes.

Who is shipping crude, and where?
Of the nearly 255 Mb/d of exports for which we were able to confirm a shipper, one-third, or 78 Mb/d, were BP cargoes. Much went to Come-by-Chance, in which BP has an interest⁵; some went to Saint John.

Valero, which primarily sends Eagle Ford crude to its Quebec City refinery, shipped 54 Mb/d or 21% of the total. Shell and Sunoco sent 44 Mb/d (17%) and 33 Mb/d (13%) respectively - also primarily to the Valero refinery.

Trafigura and Irving shipped 17 Mb/d (7%) and 15 Mb/d (6%) respectively to Saint John.

Suncor supplied its Montreal refinery with close to 3 Mb/d of Canadian crude from Nederland in 2015, a shipping pattern that will likely come to an end as the Enbridge Line 9B pipeline recently opened.

First overseas
On 31 December, NuStar Energy and ConocoPhillips shipped the nation’s first export cargo of US-produced light crude oil since the 40-year-old ban was lifted on 18 December 2015. {Nilofar Saidi in RBN Energy 7.Jan.16}

A $65-MILLION EXPANSION OF RICHMOND TERMINALS COMPLETED IN 2014 HAS GENERATED MORE TRAFFIC. In 2015 the terminal was in use 297 days with a number of those days having multi-vessel visits, wrote HPA spokesperson Lane Farguson. {e-mail to ANR&P correspondent Tom Peters 14. Jan.16}

“We are pleased with the way this facility is finding its place in the market,” said Halifax Port Authority’s Patrick Bohan, director of supply chain solutions. It boasts 450 metres of rebuilt wharf with 13.7 metre draft, 7,000 square metres of shed space and just over two hectares of laydown area. [See 12#03A].

The port’s other major general cargo and breakbulk facility, Ocean Terminals, “is running at really good capacity and having [Richmond] enables us to take on more business.”

Ship repair, offshore business
A number of vessels have berthed at the facility for repairs, such as the new Bay of Fundy ferry, vessels needing work after issues with ice in the St. Lawrence, and some large Gearbulk vessels.
Richmond bucked the downturn in offshore exploration with a long-term contract as a shore base for Shell’s exploration program off Nova Scotia’s coast. “Richmond has been very busy with the Shell drilling program. Not only have cargo ships been bringing in drill pipes, casing and other components, we also have regular traffic of supply vessels running the closed loop to the drill ship,” Bohan said.

British Petroleum will begin its $1 billion exploration program off Nova Scotia in 2017 which potentially offers more work for Richmond.6

Bohan added the further good news for the offshore: in November Norway’s Statoil acquired some licenses and announced exploration plans. {Discussions with Peters 11.Jan.16}

Described in this issue.

Mallinckrodt (Pan Am, Maine) More on dirty dirt moves.
NET (Pan Am, Massachusetts) Resistance to STB consideration.
NGL (Pan Am, Maine) Still trying to build terminal in Rigby.
NORAD (PW-Seaview, Rhode Island) Record vehicle traffic.
Pan Am propane (Pan Am, New Hampshire) Plans suspended.
Plains Midstream (VRS, Vermont) Propane storage site.
PotashCorp (CN, New Brunswick) New mine mothballed.

6 Rob O'Connor, BP's exploration manager for Canada, said in September 2015 that the high-risk venture has reached the environmental assessment stage and remains on track to have a test well drilled about 230 kilometres southeast of Halifax in 2,000 to 3,000 metres of water by July 2017.

"In the current oil price we will proceed," O'Connor said in an interview after a panel discussion. "There's a lot of support from the local community, there's a lot of support from local contractors and, in addition, there's a very clear regulatory path for working ... We work in a lot of areas that are much less stable and probably much more expensive to operate in than offshore Nova Scotia."

With the price of light, sweet crude hovering around US$45 a barrel [now under $30/barrel! editor], BP remains committed to the Nova Scotia project despite the high costs associated with exploring the notoriously rough, deep waters in the North Atlantic's Scotian Basin, he said. "It is a relatively high-risk venture," he told the conference. "Typically, around the world, these projects fail more than they succeed."

BP completed its 3-D seismic program last year and attracted partners Hess Corporation and Woodside Petroleum to work on four Nova Scotia offshore deep-water exploration blocks.

O'Connor said the company plans to announce the location of its first test well in the first quarter of 2016. {National Observer 29.Sept.15}
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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.’

FORMAL E-ISSUE