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

REGIONAL

Pan Am-SLR-NHCR: Crude tank cars go to storage on NHCR.*

Bridge ratings: Should railroads use FEM rather than AREMA?

NEW YORK

NYA: Brookhaven Rail Terminal notes progress toward settlement with Town of Brookhaven.*

QUÉBEC

CMQ: No crude in 2016. Ottawa continues Lac Megantic rebuilding support.*

CONNECTICUT

[No report.]

MAINE

MDOT: 2016 IRAP open.*
- Update on 2013, 2014, and 2015 projects.*

Maine crude: December drop in pipeline flow.*

Pan Am: New Portland intermodal terminal moves Poland Spring traffic. ++

Pan Am: Verso, with paper mill in Jay, files for bankruptcy but expects to continue to operate.

Eastport: Port Authority buys generators for wood chips, and raises rates for berths.*

MASSACHUSETTS

Pan Am: Rousselot resumes acryl by rail after intensive track rehab. Map.*

Massport: Containers up in 4Q15. ++

RHODE ISLAND

NHDOT: 0.3% of 10-year budget for rail. ++

CP-NS: Trammo, Sea-3 parent, supports merger.

VERMONT

VRS: Barrett salt sheds Burlington to Shelburne.
1. The project. Map.*
2. Shelburne files suit: is all pre-empted? Map.*
3. Wulfson explains the background of the move.
4. VRS removes the lawsuit to federal court.

MARITIMES

Saint John: Containers, dry bulk, liquid bulk up.

Halifax: 4Q15 TEUs show leap in numbers, but non-HPA facilities continue decline.*

Halifax: 2015 wood pellet shipments to Britain.*

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

No report.

EDITORIAL

Does the need for NS to fend off CP present a problem or an opportunity to Pan Am?

FROM THE PUBLISHER

CMQ open house
More on this fine event next issue.

- Chop Hardenbergh Next formal issue 17 Feb.
REGIONAL

RAILROAD BRIDGE RATINGS

MIGHT A DIFFERENT METHOD OF MODELLING RAILROAD BRIDGE LOADINGS WORK BETTER? A paper by Andrew Schanck, a civil engineering student at the University of Maine and research assistant at the university’s Advanced Structures and Composites Center, addressed that question at the Maine Better Transportation Association annual meeting in December.

Thesis

‘The traditional method of load rating following procedures outlined by the American Railway Engineering and Maintenance of Way Association’s (AREMA) Handbook of Railway Engineering yields ratings that are well understood but too inaccurate to properly examine overburdened rail bridges. Ratings based on Finite Element Method modeling yield highly precise ratings but require specialized training to perform. Combining both methods into the Maine Department of Transportation’s railroad bridge rating procedure will allow for railroad bridge rating to be both precise and usable throughout the rail industry.’ {text of paper}
Update: FEM can upgrade OR downgrade bridge ratings
Schanck wrote on 30 January: ‘At the time of writing, my contention was that FEM modeling could detect structurally deficient bridges more accurately than AREMA rating and so could help to decrease the probability of structural failure due to increased loading. I still contend this. However given time to think about the subject, the opposite can be concurrently asserted. The more precise diagnosis provided by FEM can also show that bridges otherwise labeled as structurally deficient are in fact sound, preventing costly, unnecessary maintenance.

‘In my research I did not find reference to railroads or states converting fully or in part to FEM. However, in speaking with some engineers from private consulting firms who perform bridge ratings (not necessarily railroad bridge ratings), I have found that the consensus is that FEM does in fact yield more accurate results. The main reason that they, and others, do not solely use FEM is its cost. They all seemed to agree that FEM ratings take much longer to perform and, especially where rail-oriented companies are concerned, time is money. AREMA, I would imagine, most likely wants engineers to continue to use its proprietary rating method. As for the AAR, I do not know why they have not switched recommendation.’ {e-mail to ANR&P}

PAN AM-SLR-NHCR ++
28 January. **ANOTHER STRING OF TANK CARS FOR CRUDE HEADED FOR STORAGE.** [See photo and Maine crude article]. ‘At the height of the CBR boom, shippers paid upwards of $2,500/month to lease scarce rail tank cars. Now lease rates have dropped to $300/month in some cases (according to Genscape) amid a glut of tank cars. Some shippers who purchased more tank cars than they need now are paying $30/day to park them on unused sidings.’ {Sandy Fielden in RBN Energy bulletin 2.Feb.16}

**Ayer.** Pan Am operates two CSXT locomotives to run a train of empty tank cars placarded 1267 (crude oil) eastbound. According to reports, the string is headed for storage on NHCR in Whitefield, New Hampshire. The train will be interchanged to SLR in Danville Junction, Maine, thence to Groveton for interchange to NHCR. {photo 28 January courtesy Bruce Nelson; Guilford Rail Sightings e-list}
NEW YORK

NYA: BROOKHAVEN RAIL TERMINAL*
22 January, DC. THE TOWN AND THE RAIL TERMINAL ARE HOLDING SETTLEMENT DISCUSSIONS, according to a filing by Brookhaven Rail Terminal in December.

The filing requested an extension of time to 1 February – an extension was granted this day.

A curious practice
Why is the Board waiting, until long after the deadline has expired, to grant an extension? On 16 November BRT requested an extension of time to 16 December. The Board granted that extension on 14 December.

Further extension
On 28 January, BRT reported ‘The settlement discussions have significantly progressed since Respondents Second Motion for Extension of Time and Respondents are reasonably confident that a settlement will be finalized within the next two months.’ BRT requested an extension to 1 April. {STB website, decisions page, Finance Docket No. 35141}

QUEBEC

CMQ: LAC MEGANTIC CRUDE – DEVELOPMENT*
30 January, Lac Megantic. NO CRUDE WILL PASS THROUGH THE TOWN UNTIL AT LEAST THE END OF 2016. CMQ President John Giles told Canadian Transport Minister Marc Garneau that “he will continue, out of respect for the citizens of Lac-Mégantic, to suspend the transport of crude oil through your community … until the end of 2016.” {CBC 31.Jan.16}

Opening of aid office
Garneau was speaking at the official opening of the Lac-Megantic Reconstruction Office; he announced $1.96 million in federal funds for the office to administer. The director, Stephane Lavallee said a hotel, community centre, and social housing unit are among the projects being planned. {CTV 30.Jan.16}

Legal settlement
In December, Robert Keach, the court-appointed bankruptcy trustee in Portland, announced that a $460 million settlement fund for victims of the Lac-Megantic oil train disaster in Canada is fully funded. Cheques would be distributed in January 2016. {AP 26.Dec.15}

MAINE

MAINE: NEW IRAP
20 January, Augusta. MDOT IS OFFERING MORE GRANTS IN THE INDUSTRIAL RAIL ACCESS PROGRAM. A post this day on its website stated:

‘... State investment will be matched at a minimum 50/50 match level with local and/or private industry funds. IRAP is a competitive program with applications scored based on several criteria as outlined on the IRAP webpage at the following link: http://www.maine.gov/mdot/ofbs/irap.htm.

‘MaineDOT currently has up to $1,250,000 programmed for IRAP that will be available beginning March 30, 2016. Applications maybe found on the IRAP webpage with a deadline for submission of noon on March 4, 2016.’
STATUS OF PAST IRAP GRANTS

**General note**
Nate Moulton, director of the MDOT Rail Program, provided this information:

‘A general note to all our IRAP funding and projects is that because IRAP funding is in extreme demand, any project that does not go forward in the time frame outlined in the application risks having the State share of the IRAP project pulled and reassigned to projects that are shovel-ready. Applicants are welcome to reapply for funding in future rounds.’

**2013 [see 14#02A]**

**Cives Steel, Augusta, Pan Am.** Siding rehab, $22,383. Complete.

**Casco Bay Steel Structures, South Portland, Pan Am.** New switch and track, $130,000. Moulton wrote: ‘Casco Bay Steel is awaiting final permitting approval in February. There were delays and difficulties in land acquisition by the applicant the project needs to move forward this spring or funding will be pulled and reallocated.’

**Casco Bay Transportation, Biddeford, Pan Am.** New rail, $125,000. Moulton wrote the project ‘is complete and they are taking cars.’


**E.J.Carrier, Beattie Township, CMQ.** New siding, $425,000. Carrier requested to pull the project out of the program.

**Seven Islands, Portage, NB&M.** Rehab spur, $48,457. Complete by February 2014.

**SLR, Auburn.** Equipment upgrade at intermodal facility, $15,000. Complete.

**2014 [see 14#05A, 15#03A&03B]**

**Maine Biomass, Prospect, CMQ.** New track and switches, $750,000. Art House has switched the project to a new location he has not yet divulged [see 15#12B]. Moulton wrote: ‘We do not have any formal proposal from Maine Biomass for a new project scope and schedule currently. We have been in communication with Art and are open to discussing a project that will move forward this spring that meets or is similar to the economic and truck reduction parameters set forth in his original application.’

**Sappi, Skowhegan, Pan Am.** New track and switches, $500,000. ‘Sappi is not going forward with the original scope of their project so it will be pulled.’

**Pine Tree Propane, Hermon, CMQ.** More unloading towers, $105,000. Completed by March 2015 [see 15#03A&03B].

**Woodland Pulp, Baileyville, NB&M.** Track upgrade, $118,884. Completed by March 2015 [see 15#03A&03B].

**Irving, Ashland, NB&M.** 3000 feet of additional track, $750,000. Completed by March 2015 [see 15#03A&03B].
Hancock Pittsfield, Pan Am. Reactivate siding, $67,500. Hancock requested to pull the project out of the program.

American Iron & Metals, Bangor, CMQ. Extend existing siding, $105,860. Completed by March 2015 [see 15#03A&03B].

American Iron & Metals, Oakland, Pan Am. Completed by March 2015 [see 15#03A&03B].

2015 [see 15#05B]

GAC Chemical, Searsport, CMQ. Repairs to switch and track, $13,200. Done by January 2016.

Clarks Scrap Metal, Jay, Pan Am. Rehab switch and siding, $90,000. Done by January 2016.


Northeast Ag, Detroit, Pan Am. Rehab siding and runaround track, $220,871. Moulton wrote: ‘Northeast Ag was pulled at their request as I believe they had other infrastructure emergencies that their match $ were moved to internally.’

Eldredge Lumber, East Deering, SLR. Rehab siding, $40,000. Since B&M did not continue rail service, Eldredge could not afford SLR service on its own. Eldredge is looking at a Pan Am location [see 15#11A]. Moulton wrote: ‘Eldredge has not approached us about moving their grant funds to another location.’ {e-mails to ANR&P 21, 22, 25.Jan.16}

PAN AM: NEW INTERMODAL TERMINAL ++

29 January, Portland. THE NEW INTERMODAL TERMINAL SAW ITS SECOND TRANCHE OF TRAFFIC, POLAND SPRING WATER. Water is loaded into Eimskip containers at Poland Spring bottling plants and drayed to the Portland waterfront. Placed onto spine cars (intermodal cars), the boxes are moved in 15-car strings to Ayer whence they are drayed to local distributors.

In a pilot program, the strings will move Friday, Saturday, and Sunday. {Tom Bell of AP in Portland Press Herald 31.Jan.16}

[In 2014, Pan Am moved a few containers from Plainville, Connecticut-based Meyer Enterprises to Portland for Eimskip, transferring them to rail at Sprague’s Portland terminal – see 13#04B.]

Auburn intermodal?

In 2014 [see 14#11B] and again in 2015 [see 15#04A], Poland Spring brought containers to Auburn whence SLR delivered them to Pan Am for Ayer. The Auburn Intermodal Terminal is not apparently being used, Nate Moulton, MDOT rail chief, wrote on 29 January. {e-mail ANR&P}

Statement by Poland Spring

‘As part of Poland Spring’s commitment to environmental leadership, we are exploring alternative modes of transportation for getting Poland Spring water to our major markets on the East Coast.

- On January 29, 2016, we launched a pilot program to test the feasibility of transporting some Poland Spring water by rail instead of by truck.
- In this first phase, three days a week, 15 containers of water will travel by truck from our bottling plant in Hollis, Maine, to the new intermodal rail terminal on Portland's waterfront. [Printup said Portland, rather than Auburn, was used because it was closer to Hollis.]

- From there, the containers will be loaded onto rail cars and transported to Ayer, Mass., for eventual distribution out of a nearby warehouse to wholesale suppliers in Massachusetts.

- If the initial phase of Poland Spring Express is successful, we will explore expanding to other plants in Maine and distribution points in southern markets.

- We are honored to be the first Maine company to use the new intermodal terminal in Portland.’ {text from Poland Spring spokesperson Heather Printup by e-mail 3.Feb.16}

On 3 February, Printup said further details would emerge at an event to mark the grand opening of the terminal, now scheduled for sometime in March. {ANR&P discussion 3.Feb.16}

Sightings
At least one string arrived on 30 January in Ayer, on Pan Am train POSE (POrtland-SElkirk). {Martin Butler in Guilford Rail Sightings e-list}

On 1 February, rail observers spotted the string of spine cars returning to Portland. MEC 379 was pulling 15 mixed Eimskip & CAI(?) containers, a short string of empty center-beams, and some mixed freight. {Guilford Rail Sightings e-list}

BARRELS OF CRUDE BY MONTH THROUGH MAINE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland PLC</td>
<td>306</td>
<td>4,663,561</td>
<td>5,231,611</td>
<td>5,128,650</td>
<td>3,859,630</td>
<td>3,412,763</td>
<td>4,955,119</td>
<td>4,528,148</td>
<td>5,400,081</td>
<td>5,177,393</td>
<td>3,073,453</td>
<td>4,624,764</td>
<td>1,820,151</td>
<td>52,775,324</td>
</tr>
<tr>
<td>MEC</td>
<td>903</td>
<td>441,020</td>
<td>312,382</td>
<td>385,566</td>
<td>NR</td>
<td>NR</td>
<td>NR</td>
<td>NR</td>
<td>0</td>
<td>70,484</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,210,453</td>
</tr>
<tr>
<td>MMA</td>
<td>914</td>
<td>489,687</td>
<td>501,294</td>
<td>404,614</td>
<td>519,977</td>
<td>347,721</td>
<td>512,132</td>
<td>179,094</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,034,514</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All Crude</th>
<th>Reg #</th>
<th>2014 Jan-14</th>
<th>Feb-14</th>
<th>Mar-14</th>
<th>Apr-14</th>
<th>May-14</th>
<th>Jun-14</th>
<th>Jul-14</th>
<th>Aug-14</th>
<th>Sep-14</th>
<th>Oct-14</th>
<th>Nov-14</th>
<th>Dec-14</th>
<th>Total 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portland PLC</td>
<td>306</td>
<td>4,215,328</td>
<td>2,030,814</td>
<td>4,219,484</td>
<td>2,426,495</td>
<td>680,909</td>
<td>2,504,744</td>
<td>2,525,136</td>
<td>3,588,942</td>
<td>2,212,664</td>
<td>2,824,336</td>
<td>2,500,968</td>
<td>2,880,175</td>
<td>32,609,995</td>
</tr>
<tr>
<td>MEC</td>
<td>903</td>
<td>0</td>
<td>15,545</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,545</td>
<td></td>
</tr>
<tr>
<td>MMA</td>
<td>914</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>CMQ</td>
<td>919</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>All Crude</td>
<td>919</td>
<td>0</td>
<td>15,545</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,545</td>
<td></td>
</tr>
</tbody>
</table>

{Source: Maine Department of Environmental Protection}

Note: All entities transporting crude must pay a per-barrel fee and report the number of barrels by the end of the month following the report.

In December 2015 MDEP, following passage of a new Maine statute, declined to continue to report crude by rail [see 15#11B] – though other sources cognizant of rail moves have spotted no crude moves. MDEP did report the numbers through September 2015.

MAINE CRUDE ++

26 January, Augusta. THE MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION REPORTED DECEMBER CRUDE NUMBERS, but only that through the Portland Pipe Line. Since December, MDEP has
not listed crude by rail, and has even stricken the numbers from earlier months [see 15#11B].

**No decision from Attorney General**

Melissa Morrill of MDEP, who assembles the monthly figures, added that the department was still awaiting a decision by the Maine attorney general’s office on whether the new statute bars a monthly release of statistics as well as information about specific trains going to specific destinations. {e-mail to ANR&P}

**More on decline of Crude By Rail**

‘Genscape track[s] CBR activity at several refineries and terminals on the East Coast on a weekly basis and report[s] a decline of about 35% in crude unloading between May 2015 and the week ending January 16, 2016. CBR unloading at Gulf Coast terminals that Genscape track has fallen by 42% over the same period. Union Pacific Railroad – a major CBR shipper in the western U.S. reported a 42% drop in crude shipments in Q4 2015 versus the same period a year ago.

And one business with fortunes that are closely tied to CBR has been particularly hard hit in the past year – rail tank car leasing. At the height of the CBR boom, shippers paid upwards of $2,500/month to lease scarce rail tank cars. Now lease rates have dropped to $300/month in some cases (according to Genscape) amid a glut of tank cars. Some shippers who purchased more tank cars than they need now are paying $30/day to park them on unused sidings.’ {Sandy Fielden in RBN Energy bulletin 2.Feb.16}

**PAN AM: VERSO BANKRUPTCY**

26 January, Jay. **VERSO FILED FOR CHAPTER 11 BANKRUPTCY PROTECTION BUT WILL CONTINUE TO OPERATE.** The filing, in Delaware Bankruptcy Court, covers Verso and 26 subsidiaries. It estimated that creditors number between 10,000 and 25,000, and it had assets between $1 billion and $10 billion. Liabilities fell in the same range. {text of filing from Bangor Daily News link}

**More**

David Paterson, Verso’s president and CEO, said in a news release that factors such as increasing competition from imports with the rise of the dollar and “unprecedented decline in demand for our products” contributed to the decision to file for bankruptcy.

“Verso chose to take this proactive step with the firm belief that our company will emerge from the Chapter 11 process as a stronger company that is positioned to compete and win, even as challenges in the overall economic environment continue.”

The specialty and coated paper maker, managed by private equity firm Apollo Global Management, has faced headwinds since its formation in 2008 to purchase the coated paper division of International Paper Company.

Verso stated in its filing that money will be available to pay to its unsecured creditors through the case, a group that includes vendors and employees. It listed two Maine firms among its top 30 unsecured creditors: $2.2 million in debt to Rumford mill owner Catalyst Paper and $1.2 million to Hartt Transportation Systems, based in Bangor.

**Sale of hydroelectric**

On 7 January, the company announced it sold four hydroelectric generators serving its Jay mill to a New Jersey energy investor for $62 million.

The company owns eight mills in six states, including one in Kentucky that it idled in 2015. The operating mills have a combined capacity of about 3.2 million tons of paper per year, including coated and uncoated printing papers, label and packaging paper, and various pulp products. {Darren Fishell in Bangor Daily News 26.Jan.16}
EASTPORT: CHIPS CLOSER (?)*

19 January. **THE USE OF THE CONVEYOR FOR CHIPS MAY PUSH ELECTRICITY RATES HIGHER,** Eastport Port Authority Director Chris Gardner told the Authority board meeting this day, raising the payment more than $65,000 over a year. But he did not provide a date for the first chip shipment.

**Purchase diesel generators?**

While Gardner thought that Emera Maine, which delivers the electricity, could cut rates in negotiation, the board okayed the purchase of two diesel generators to support the conveyor, at a cost as high as $19,000. The generators could also power the port if the system went down.

**Change in shipping lines costs more**

Woodland Pulp is switching from Grieg Star Shipping to AAL (Austral-Asia Line), headquartered in Singapore, for pulp shipments to China. AAL ships lack bow thrusters so handling them will require more tug use, and have only boom cranes, not gantry cranes, so loading will take longer.

The board approved a 20% increase in dockage rate for ships, an increase in the one-time per quarter berthing rate from $300 to $350, and an additional $750 berth maintenance charge for those shipping lines which do not call at least four times a year. {Edward French in *Quoddy Tides* 22.Jan.16}

**Ship calls**

At Eastport, the *Star Louisiana* loaded 13,000 tonnes of woodpulp for China on 23 December. The *Star Gran* did 7,000 tonnes for Sweden on 31 December.

At Bayside the *Balder* loaded aggregate for Bermuda on 23 December, and again on 4 January. The *Prince of Tides* loaded paper for Ecuador on 9 January. {*Quoddy Tides* 8&22.Jan.16}

---

**MASSACHUSETTS**

**PAN AM: ACID SERVICE RESUMES**

11 January, Peabody. **THE FIRST TWO ACID CARS IN 12 YEARS WERE EMTPTED AT THE ROUSSELOT PLANT HERE.** At least one of the cars, per a trace, originated in Beauharnois Quebec on 23 December, reached Valleyfield on 28 December, and was handed to Pan Am Southern on 31 December. {e-mail from colleague 13.Jan.16}

---

**Peabody.** Two tank cars of hydrochloric acid spotted at the Rousselot plant in early January. {courtesy Don Lejeune}

---

\[T\] PPG Chlor-Alkali operates a chlorine and liquid caustic soda plant in Beauharnois. {PPG website}
The car was reported arriving at Rousselot 5 January.² {e-mail to ANR&P from colleague}

Source of acid – formerly truck

² The delivery over the New Year’s weekend by Pan Am took five days, still within the 48-hour rule requirement because the rule excludes Saturdays, Sundays, and holidays. Editor

³ Axiall resulted from the complex separation of PPG Industries’ commodity chemicals business and subsequent merger with a subsidiary of Georgia Gulf Corporation in early 2013.

In Beauharnois, Axiall (formerly PPG³) manufactures the acid. Until January 2016, Savage Safe Handling in Auburn received the acid by rail on SLR, and trucked it to Peabody.

Axiall, Savage, and Pan Am declined comment. {e-mails 14&15.Jan.16}

The last delivery of acid by rail: 2004

From 1991 to 1998, Rousselot (then owned by Eastman Kodak), received the acid by truck from Safe Handling in Auburn, Maine. In 1998, Eastman started railing in the acid along with the bone cars it was already receiving.

In April 2004, a tank
car from PPG sitting in Pan Am’s Boston yard leaked. At that point, the plant received an average of seven acid cars a week. Pan Am embargoed acid shipments; bone cars continued [see 04#05A and 04#06A for more details]. Acid went back to truck from Safe Handling.

In 2006, Eastman and Pan Am were negotiating a plan to spot the acid cars in Lowell and deliver them as needed, but the two sides could not reach agreement [see 06#10B].

Darling statement
Melissa Gaither, vice-president investor relations and global communications for Darling Ingredients Inc., the owner of Rousselot, released this statement on 14 January:

‘Rousselot is committed to the safe transport of all of our production materials. We are resuming rail shipments of hydrogen chloride under a number of new safety measures, including an upgraded, secure unloading process and a 24-hour emergency response team provided by our supplier and approved by the rail road. Rail shipments of the HCL has been strongly endorsed by the City of Peabody, as it will replace a significant number of Rousselot-bound trucks carrying hydrogen chloride on Massachusetts and Peabody roads and highways each year.’ {e-mail to ANR&P}

Track upgrades
During autumn 2015, Pan Am track crews spend considerable time improving the track from the junction with the MBTA in Salem to the plant in Peabody. [See 15#04B for map of plant track and trains; 15#03A&03B for derailment at the plant.]

Work included rebuilding:

- the track at the plant and the Allens Lane crossing; the North Street Yard; and much of the Danvers Industrial Track. {GuilfordRailSightings e-list}

[Despite the fact that the spur does not reach Danvers, Pan Am Employee Timetable No.4, 1 January 2016, labels it the ‘Danvers Industrial Track.’ Trains must not exceed 5 miles per hour, and the train crew must provide on-ground warning at all grade crossings.]

MASSPORT: 4Q15 ++

<table>
<thead>
<tr>
<th>Ocean Container Volumes Quarterly</th>
<th>Import TEUs</th>
<th>Export TEUs</th>
<th>MT TEUs</th>
<th>Tot TEUs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CY14 Q4</td>
<td>27,041</td>
<td>20,013</td>
<td>7,300</td>
<td>54,354</td>
</tr>
<tr>
<td>CY15 Q4</td>
<td>29,999</td>
<td>21,389</td>
<td>11,330</td>
<td>62,718</td>
</tr>
<tr>
<td>Pct Chg in CY15 Q4</td>
<td>11%</td>
<td>7%</td>
<td>55%</td>
<td>15%</td>
</tr>
</tbody>
</table>

6 January. CONLEY CONTAINER TERMINAL BOOSTED THROUGHPUT for 4Q15 by 15%. The number was helped by a significant amount of empty containers: about 1/6th of the total. {statistics from Massport}

Empty container comment
Massport Port Director Lisa Wieland noted: ‘The percent of empty containers is determined by the balance of imports and exports. An uptick in empty containers usually means import growth is outpacing export growth. We should expect imports to continue to outperform exports to some extent, given the current strength of the U.S. dollar, for at least the next several months.’ {e-mail via Mirak Budaj 26.Jan.16}
NEW HAMPSHIRE

NHDOT: 10-YEAR BUDGET ++
14 January, Concord. NHDOT RELEASED A 10-YEAR BUDGET WITH 0.3% FOR RAIL.

Hampton Branch Rail Corridor
Purchase rail corridor [Pan Am-owned] from Hampton to Portsmouth approximately 9.7 miles and improve trail surface. $990,000 from CMAQ program.

Nashua-Manchester-Concord Capitol Corridor
Project development study to conduct environmental review, develop & review alternatives for the passenger rail service Boston-Concord. $2 million in 2017, $2 million in 2018. Federal Transit Authority funding.

Walpole-Charlestown NECR rail line relocation
As part of work on State Highway 12, the state will relocate the rail line at a projected cost of $8,570,000 in 2017 and $2,724,480 in 2018. [See map.]

Special Railroad Fund
The state plans to perform construction & maintenance on the state-owned railroad lines per RSA 228:60 for $6 million: $50,000/year for preliminary engineering; $450,000/year for construction; $30,000/year for planning; and $70,000/year for other.

Grade crossings and signals
A total of $11.6 million statewide.

Statewide revolving railroad loan fund
2019: $1.5 million. 2022: $1.5 million. 2025: $1.5 million.

CP-NS: SUPPORT FOR MERGER*
25 January, Tampa. THE PARENT OF SEA-3 FILED A LETTER OF SUPPORT for the merger which CP proposes with NS. Eric Rouse, manager of traffic-rail for Trammo’s commodities division, noted particularly CP’s proposal to eliminate the bottleneck provision and require railroads to ‘quote rates to the gateway the shipper requests’, as well as the proposal ‘allowing other railroads access to CP-NS shippers in terminal areas if service is not adequate and/or rates are not competitive’. {STB website, Mergers page, correspondence link}

RHODE ISLAND

PROVIDENCE CAR CARRIERS

Contents
1. The auto terminal.
2. Ports America, the terminal operator
3. Liberty Global Logistics, current terminal user.
4. Why Eukor left Providence

1. THE AUTO TERMINAL AT PROVPORT
Used cars are among the commodities handled at ProvPort. [See lower right of map.] Due to wind farm work [see 15#11B], ProvPort will move vehicle handling to the new parcel ProvPort leased in May 2015 [more in a future issue].
Walpole-Charlestown. NHDOT will move the NECR line east, away from the Connecticut River, to enable the expansion of Route 12 to add a four-foot shoulder on each side. (Route 12 environmental study posted on NHDOT website http://www.nh.gov/dot/projects/walpole14747/index.htm)
Tonnage
In 2009, previously owned vehicles (POVs) came to 12,500 tons, while new autos totalling 170,870 tons were handled at Davisville by NORAD [see 16#01A].

In 2009, 20,000 POVs were exported. Primarily, they originated in New England, but some come from as far as Ohio and Canada.

Hoegh Autoliner ships made 40 calls in 2009; 75% of the POVs went to Africa, 25% to the Mediterranean. {Rhode Island’s Ports: Opportunities for Growth, Executive Summary, Martin Associates Lancaster, PA, 2011}

In 2013, EUKOR exported 1500 POVs (previously-owned vehicles) a month to Africa. {The Economic Impact of ProvPort’s Terminal Services, 19.Jan.15, by 4Ward Planning}

Ocean carriers
The port has seen a significant turnover in carriers. Hoegh, which called in 2009, left by 2013. EUKOR began calling, and then left in late 2015. Liberty Global Logistics (LGL) began calling in late 2013.

Location
ProvPort leases land to Ports America, which operates a POV terminal of 12 acres and handles the ship loading.
{Chris Waterson e-mail 11.Dec.15}

Ports America has experienced constraints at ProvPort: only 4 of the 6 berths can handle auto ships, due to insufficient depth alongside. Also, expansion of the 12 acres is [was, until lease of the adjacent parcel in 2015] difficult. {2011 report}

2. PORTS AMERICA

Frank Elliott, chief of Ports America New England, discussed the ProvPort operation on 21 January:

1. Ports America in New England
While it owns no terminals, it operates in six ports north of New York: Portland (the International Marine Terminal); Salem (bringing in materials by ship for the new gas plant, to open in 2017); South Boston (Conley Container Terminal); Charlestown (the auto terminal); Provport; and Davisville (unloading for Volkswagen Logistics).

How the terminals get auto business
Elliott explained that about half of Ports America New England traffic occurs when a ship calls by inducement (responding to an immediate need), and the other half long-term multi-port contracts.

The latter for ProvPort occur when auto carriers make other calls farther south on the East coast, such as Baltimore or New Jersey.

Who creates the business
“Normally the who person owns the cargo contacts the ship operator. The operator makes determination if it is worth to go into the port, or whether he has a better offer somewhere else.”

Who pays the port costs to whom
The ship operator, Elliott explained, pays the costs. These consist of:

- Pilots
- Wharfage and dockage (paid to ProvPort)
- Longshoremen. (not “stevedores”\(^5\))

Ports America uses workers belonging to the International Longshoremen’s Association, with whom it has a master contract covering many ports.

Praise for ProvPort
The port is open to many carriers, said Elliott. And working with the longshoreman there “is like dying and going to heaven.”

However, Ports America does not favor one port over another. “It does not do any good. The owner and operator decide, and business follows the most efficient path.”

The location of the port is all-important, not the costs. “Even if we said we will load ships for free, it won't make any difference” in which port the customer choses. {ANR&P discussion 21.Jan.16}

---

\(^4\) Subarus are unloaded by New England Stevedoring. See 14#12A.

\(^5\) As Elliott pointed out: ‘In present-day American waterfront usage, a stevedore is usually a man or a company who manages the operation of loading or unloading a ship. In Two Years Before the Mast (1840), the author Richard Henry Dana, Jr. describes the steving of a merchant sailing ship in 1834. This was the process of taking a mostly-full hold and cramming in more material. In this case, the hold was filled with hides from the California hide trade up to four feet below the deckhead (equivalent of 'ceiling'). “Books” composed of 25–50 cattle skins folded into a bundle were prepared, and a small opening created in the middle of one of the existing stacks. Then the book was shoved in by use of a pair of thick strong pieces of wood called steves. ... It is common but inaccurate to use the terms “stevedore” and "longshoreman" interchangeably.’ {wikipedia}
3. LIBERTY GLOBAL LOGISTICS STARTS IN 2013

About the company
Liberty Global Logistics (LGL), founded in 2004, operates foreign-flag ro/ro vessels to provide services from the three US coasts to the Mediterranean, Red Sea, Arabian Gulf, Pakistan, India, Southeast Asia, and the Far East.

It also owns and operates two purpose-built US-flag vessels, delivered in 2009 and 2010.

Providence start-up
Harry Hussein, chief of marketing and sales for LGL, wrote: ‘With our continued growth and development efforts we researched ports in the Northeast’ and found Providence would complement ‘our export portfolio and as such added it to our service. ... Since inception of our service in July 2013, LGL has exported some 7,000 plus units of primarily used passenger cars.’

Auto shippers buy cars at auction in New England. They then let freight forwarders know they have 5, 10, 30 vehicles, who in turn make bookings with LGL and depending on the arrangement between the shipper and the freight forwarder, the vehicles are transported to the port. LGL arranges the customs export clearance of the vehicles and loads them on their vessels.

At the other end, often the cars are received by a POV dealership owned by a brother, cousin, or other relative. “This has occurred for many years. Jeddah is the largest Middle East export market ex the USA and they have been receiving US used vehicles for more than 20 years.”

Current service
LGL, the only ro/ro carrier now calling Providence, is ‘continuously striving to provide our customers at least one sailing per month with growth aspirations of increasing this to semi-monthly sailings.’ His customers are primarily freight forwarders.

The first two calls of 2016:

- The Glorious Ace called Providence 2 January and will call Livorno, Beirut, Aqaba, Jeddah, Jebel Ali, and Bahrain.

- The Liberty Promise will call Providence 4 February and will call Piraeus, Mersin, Beirut, Aqaba, Jeddah, Karachi, Jebel Ali, and Bahrain. {e-mails to ANR&P 31.Dec.15}

Providence worth the call
Hussein did not want to reveal exact numbers, but would put the number of vehicles for each call at ‘larger than ten, less than 1000. The numbers LGL loads ‘from its loyal customers does make the port call worthwhile.’

Freight forwarders could send cars to the auto terminals in New York and New Jersey, but the highway traffic enroute as well as the tolls creates a hurdle. {ANR&P discussion 4.Jan.16}

4. EUKOR: LEFT PROVIDENCE

About EUKOR
With home offices in Seoul, EUKOR’s anchor business moves Hyundai and Kia vehicles from Korean production plants to locations around the world. Also serving many other vehicle manufacturers, it annually moves more than 4 million vehicles.  

The two Korean car companies own 20%; the two major European vehicle carriers Wallenius and

---

6 EUKOR renewed the agreement with Hyundai Motor Group to carry Hyundai/KIA vehicle exports from Korea four more years, 2016-2019. Volume will be 50% of exports in the first two-year period, 40% in the second two-year period. In 2014, EUKOR transported approximately 4.6 million units of which 1.7 million were on behalf of Hyundai and Kia. In addition to EUKOR, Wilhelmsen owns 50% of WWL and American Shipping and Logistics. {Wilhelmsen website}
Wilhelmsen each own 40%. [The name apparently (no indication on the company website) merges EURope and KORea. Editor]

**Why left Providence**

EUKOR was serving Africa from Providence [see map]. Martin Biedermann, general manager operations manager East coast for EUKOR, said on 4 January that the carrier, which called Providence in 2015, left because of a combination of factors:

- A downward term in the African market. “With the drop in oil prices, fewer people have the money to spend” to buy POVs.
- “The rates went down” for what the carrier could charge for the crossing.
- “The cost of the terminal went up.”

“When you work the numbers, it just does not make sense.” Which is unfortunate, because Providence “saves a full day’s sailing over Boston” for southbound routes, and “labor is much easier to deal with there than in Boston.”

Terminal costs charged by ProvPort. Biedermann said EUKOR paid both the terminal operator and stevedore, Ports America, as well as ProvPort. He alleged General Manager Chris Waterson was “not willing to budge. And when another line wanted to call ProvPort to succeed EUKOR, Waterson “would not budge” on his rates for it, either, so it is not calling.

“He’s putting his own nail in his coffin.” Asked whether EUKOR might return to New England, Biedermann said, “I never close any door.” {ANR&P discussion 4.Jan.16}

**ProvPort: costs have hardly changed.**

Waterson responded: ‘The terminal rates going up is simply not true. We haven’t significantly increased any rates since we started this business back in 2008. We never received a request from Ports America or EUKOR to reduce rates. There was never a negotiation prior to their departure. They just left. Had we known they were unhappy and considering a move we would have gladly negotiated. ... ‘Bottom line, the departure of EUKOR has way more to do with the market dynamics than it does our rates.’ {e-mail from Chris Waterson 4.Jan.16}

---

**VERMONT**

**VRS: SHELBURNE MOVE ++**

**Table of contents**

1. VRS unveils planned move of Barrett salt shed to Shelburne. Maps.
3. Wulfson writes letter of explanation to Shelburne, his home town.
4. VRS removes state case to federal court.

1. **VRS unveils planned move of Barrett salt shed to Shelburne.**

6 January, Burlington-Shelburne. **VRS WILL MOVE SALT AND OTHER TRANSLOAD TO SHELBURNE,** to make way for a second co-op market location in Burlington.

**The existing and future Burlington use**

VRS serves a covered salt shed off Flynn Street in Burlington, a parcel which the railroad bought “out of
repossession” in the 1980s, VRS President David Wulfson said on 14 January. It now holds 35,000 tons of salt.

[On 30 June 2015, City Market, a project of the Burlington community-owned Onion River Co-op, announced the railroad would sell the parcel with the salt shed, and that City Market would build a second store there to open in June 2017. {citymarket.coop}]

The new Shelburne site

On 5 January, Wulfson spoke to the Shelburne Selectboard about his plans for a parcel of land west of the rail line, land his family previously owned, then sold to his brother. The railroad has now purchased it.

Wulfson explained that as a rail-operated site, the transload would be exempt from much local regulation.

The board’s concerns centered around traffic, noise and environmental impacts. Neighborhoods near Webster Road, Harvest Lane and Yacht Haven Drive will experience additional noise, said Town Manager Joe Colangelo.

New salt sheds. Two salt sheds will be erected in the spring to store about 80,000 tons of salt. “In the past five years, there have been two years where we have run out of salt. We have been asked to increase storage so this doesn’t happen.”
Wulfson plans additional uses: “lumber, fuel oil, and heavy equipment.” He explained that large bulldozers and wheeled loaders for the quarries “used to come in by rail” and he is exploring with dealers for Caterpillar, John Deere, and other equipment resuming rail deliveries. \{ANR&P discussion 14.Jan.16; Lynn Monty in Shelburne News 6.Jan.16\}

2. SHELBURNE FILES STATE LAWSUIT, ISSUES STOP-WORK ORDER

2.1 State lawsuit

Facts noted in the complaint
- VTR acquired the property for the transload (the Transload Site) from Northern Vermont Financial Corporation (NVFC) on 28 December 2015.

- Barrett Trucking will operate the salt pile and deliver fuel on the Transload Site.

- VTR contractors began clearing the land on 11 January, soon after the 5 January informal informational meeting with the Town Selectboard.

- On 20 January the Town issued a Notice of Violation to VTR, for proceeding without a permit.

1971 conveyance and easement. VTR conveyed to the Town in 1971 a 23-acre parcel along with an undefined 15-foot right of way across the Transload Site, then owned by VTR.

Subsequently VTR conveyed the Transload Site to NVFC. NVFC gave the Town an easement across the Transload Site, with an undefined location.

**Town Count 1**
The Court should declare that some of the proposed activity is not pre-empted by federal law.

**Town Count 2**
The Vermont Supreme Court has stated that issues concerning traffic routing, number of trucks entering and exiting a facility, the hours within which trucking can occur, parking and curbing designs are all within the “province of municipalities by virtue of the state’s delegation of its traditional police powers” as they “do not interfere with railway operations.” In re Vermont Railway, 171 Vt. at 504 (emphasis in original), 769 A.2d 648 (2000)’ [No request stated.]

[Note. Ironically, the property in question in the 2000 case is the property VTR is selling to City Market. See above article.]
Town Count 3
‘Defendant’s project, to the best of Plaintiffs understanding based upon the plans that have been shared with the Town, constitutes a public nuisance and should be abated.’

Town Count 4
‘Plaintiff is entitled to an order that Defendant ceases interfering with its easement rights contained in the 1971 and 1995 easement deeds.’

Request for injunction
‘The Town respectfully requests that the Court:

A. Find for Plaintiff on the above Counts;

B. Temporarily and permanently enjoin Defendant from engaging in construction activities on the property without submitting to municipal review without permit approval from Plaintiff;

C. Permanently enjoin Defendant from engaging in tree clearing, grading, and land development in such a way that interferes with Plaintiffs easement rights.’ {text of complaint from Town website, Docket Number: 9-1-16 Vtec [Vermont Environmental Court]}

In its Motion for a Preliminary Injunction, the Town argued: ‘Most importantly, Defendant is not amenable to temporarily delaying construction so as to give the Town and its residents the opportunity to engage in a dialogue as to the scope and impact of the project as envisioned by Defendant. See E. W 14-15. There is a threat of irreparable harm that will forever change the municipal landscape of the Town and the public at large has an interest in the outcome of this litigation.’ [text of Motion]

COMMENT BY TOWN MANAGER
Town Manager Joe Colangelo addressed the VRS situation in Shelburne in an op-ed to the Shelburne News dated 26 January:

‘Like a locomotive with a full head of steam, Vermont Rail System is chugging ahead with plans to develop an intermodal facility behind Harbour Industries. This facility will primarily be used to store and distribute considerable quantities of salt. It will be operated in conjunction with Barrett Trucking. Other activities expected to occur on site include heavy equipment transfer, fleet fueling, and an administrative office building for Barrett. The full magnitude of this project and its impacts on public safety, traffic patterns, noise, and the natural environment are unknown because Vermont Rail Systems is asserting that this facility and all of its activities enjoy the protection of federal-preemption from local land use regulations.

‘I have four main areas of concern regarding how this project might impact Shelburne. First, the entrance to this facility from Route 7 is not compatible with an increase in heavy truck traffic and, accordingly, if the project continues on its current trajectory a public safety hazard will be created as large trucks attempt to enter and exit this facility. Second, the project will magnify existing traffic congestion issues on Route 7 placing more stress on local arteries such as Webster, Bay, and Harbor Roads, as well as Spear Street.

‘Third, as stated by Shelburne’s Natural Resources and Conservation Commission, the proposed facility will have severe impact on sensitive natural resources. Further, given that considerable quantities of contaminants such as salt and fuel will be stockpiled at this facility, it will likely exacerbate water quality problems in the LaPlatte River and Lake Champlain. The special treatment Vermont Rail System could receive is particularly galling since as part of the mandated cleanup of Lake Champlain, federal and state regulations will necessitate expensive capital improvements to Shelburne’s wastewater treatment plants and impaired waterways.

‘Fourth, noise generated at the facility may have consequences to surrounding neighborhoods. Sounds from machinery will reach levels of over 100 decibels for an unknown length of time and at unidentified hours
There are other issues of concern, too; for example, the Town of Shelburne owns a 30’ recreational trail easement on the property that should be protected in order to continue the connectedness of Shelburne’s extensive trail network. This particular site is also known to be archeologically significant.

These impacts are too much for the town to contemplate without asserting rights of its own. Last week the town of Shelburne issued Vermont Rail System a Notice of Violation for violating Shelburne’s zoning by-laws. Their response was to gate-off the parking lot behind the fire station which will reduce Shelburne’s police and fire response capabilities to places such as the Shelburne Community School. On Monday, Shelburne filed a Motion of Preliminary Injunction in Environmental Court to have Vermont Rail System cease work on the project. As of this writing a hearing before a judge has not been scheduled but is expected soon.

The spirit behind federal-preemption is to provide this country with an efficient rail network. It is not to substantially change the character of local communities. Vermont Rail System is arguably overstepping their authority and I encourage Shelburne to fight for more transparency. On a national level, you can look to the Flint water crisis as an example of what can happen when important projects lack transparency, proper regulatory review, and meaningful oversight. Shelburne must demand accountability before the train leaves the station. {Shelburne News website}

VAOT concern
VAOT Assistant Attorney General John Dunleavy reported that under a 1995 agreement, VTR and VAOT gave NVFC an easement to cross the main line and access the Transload Site. NVFC agreed to install a stop sign [visible in the photo] and to bear the cost of automatic signals if they were installed. {text of agreement}

‘VAOT is still negotiating with VTR about the project’s need for a highway access permit, including the possible need to mitigate traffic impacts.’ {e-mail to ANR&P 26.Jan.16}

2.2 State issues stop-work order
Shelburne, 28 January. THE VERMONT DEPARTMENT OF ENVIRONMENTAL CONSERVATION SENT A STOP-WORK NOTICE TO VRS, because of alleged violations -- including not having a necessary permit – at the site of the new transload.

VRS President David Wulfson said later he was surprised by the notice and labelled it a misunderstanding. “We were very surprised to receive this letter; certainly we have stopped all work until we can deal with any of their concerns.”

Wulfson said he has faith in the project and expects to respond to the concerns outlined in the letter on 1 February. {WCAX 29.Jan.16}

Chair of Selectboard furious
Gary von Stange, chair of the Shelburne Selectboard, said in early February, referring to the VRS blocking of Railroad Lane, the road to the former depot: “I’m (expletive) pissed. In my seven years on the Shelburne Selectboard, I have never seen such callous conduct that so blatantly disregards the safety of students, firefighters, police and rescue squads. Wulfson has “severely and negatively impacted the safety” of children in the town by blocking access to the road.

Von Stange wrote letters to the three members of the Congressional delegation and to Governor Peter Shumlin, asking for help. ‘We need you. We have a town that we love,’ his letter read in part. {Haley Dover in Burlington Free Press 3.Feb.16}

3. WULFSON WRITES LETTER DESCRIBING BACKGROUND OF TRANSLOAD
2 February, Shelburne. VRS PRESIDENT DAVID WULFSON WROTE A THREE-PAGE LETTER TO THE TOWN with details about the salt transload. These included:

Meetings with town officials
Wulfson first let town officials know on 23 June 2015, and invited expressions of concern; none were made.
In January Wulfson met twice with the Selectboard.

**Project not moving too fast**

‘This property has been in the ownership and control of my family since the late 1960s when my mother and father purchased the property. From 1995 my brother Todd and a business partner of his owned the property until our railroad purchased it back from them in December.

‘The strip of land … comprising about 15 acres between the railroad’s land and the LaPlatte River that is considered a buffer zone was donated to the Town of Shelburne by my parents Jay and Joan Wulfson. At different times in the last nearly fifty years the Town has been presented with various plans for the development of [the railroad’s land]. For many different reasons these projects were not completed, however, the Town understood that this was a piece of land that one day would be dedicated to railroad use.’

**Prohibition on disclosure of truck movements.**

‘On January 20, 2016, in response to the Town’s request for additional information about traffic and other matters it was explained to the Town that the railroad was prohibited by federal law from disclosing that information to the public [see box]. The response explained that the railroad would be permitted to disclose the information to the select board in an executive session held under a confidentiality agreement and that the railroad was more than willing to do that. A violation of this federal law would expose the railroad and the Town to penalties under the law. Sadly, it has been represented to the public that I am personally trying to conceal important information from the public. On the contrary, I am trying to obey the law and I have tried to explain that to those concerned.

**Environmental advantage**

‘While it may be difficult to understand, the fact is that this project is good for the environment. First of all by having this salt delivered to Vermont by rail it cuts in half the truck traffic related to the movement of that salt to Vermont, which is not only an environmental benefit, it is a public safety concern as well.

‘Additionally, Vermont Railway’s fuel-efficient locomotives use up to 1/3 less fuel than trucks do to accomplish the same job. The project in Shelburne is being constructed with state of the art methods designed to control and manage storm water and is being built in a very isolated area that will barely be visible from adjacent properties.

‘It would appear that the public is unaware that we have filed a stormwater plan for this facility applying for the required federal permits and this permit application was published by the State of Vermont Agency of Natural Resources and even posted for 10 days in the Shelburne Town Hall for public comment. Not a single person commented, not even the members of the Town’s government who have been so vocal criticizing our project and the alleged inability of the public or the Town to participate. …

‘With our new facility in Shelburne we will no longer be routing large truck traffic through residential streets [of Burlington] by having direct access to Route 7. Despite what people may be being told, there will be no increase in truck traffic traveling to the south through the village of Shelburne. About 15% of the trucks carrying salt from our current Burlington facility already are traveling south through the Village of Shelburne and have done so for nearly 30 years.

‘This will not change. I expect that most people are not even aware of these trucks since compared to the rest of the traffic on Route 7 these trucks have very little impact. This is also true because these trucks enter and leave our facility during off peak hours.’

**Former transload on Railroad Lane**

Wulfson explained that before VAOT built the commuter depot in Shelburne, its site was used for a public transload. ‘Despite the fact that Vermont Railway is more than 120 miles long there are very few places along

---

7 VAOT is arguing the question of traffic control at Route 7. The truck count, VAOT Assistant Attorney General John Dunleavy argues, ‘can hardly be confidential when the trucks will be readily visible to an observer on the public highway.’ Moreover, ‘[e]ngineering firms like VHB are quite familiar with producing credible traffic impact studies without compromising their client's proprietary data.’ (e-mail to *ANR&P* 2.Feb.16)
that distance where we can conduct this type of transfer of goods for our customers. It was a sacrifice for us to give up the land in the Shelburne village that was used by us and the Rutland Railroad before us as an active rail freight and passenger transfer site for nearly 150 years. Sadly Governor Dean’s dream of a viable commuter rail did not survive and yet the commuter rail parking lot remained. Somehow it morphed in people’s minds to a public street and commuter lot, but it has caused problems. ’ {excerpts from letter posting on Town website}

Wulfson meets Cole
At the behest of Chittenden County legislators and state officials, Wulfson met Chris Cole, Vermont's transportation secretary, in Montpelier 28 January.

Cole later said: “I’m not going to comment on the facility, as to whether we support it or oppose it, because it's not really our role.” In his opinion, VRS needs a state highway access permit if it creates a new curb cut onto Route 7. For now, it's using an existing curb cut off Route 7, a short access road that leads to Harbour Industries. Cole is pressing Wulfson to provide traffic studies. Cole verbally warned Wulfson that the company could face a permit violation if VRS fails to produce them.

Cole knows Vermont lost a major federal exemption case on a transload in Riverside. The lesson for the state and Shelburne, he said, is to negotiate rather than litigate. “We’ve been down this road before. We understand where the boundaries are. And really, what we have found is that it’s easier to get what you want working with the railroad cooperatively rather than trying to battle with them in court. That would be my only advice, my only comment, to the town.” {Molly Walsh in Seven Days Vermont 3.Feb.16}

4. VRS REMOVES STATE CASE TO FEDERAL COURT
27 January, Burlington. THE RAILROAD REMOVED SHEL BURNE S LAWS UTT FROM STATE TO FEDERAL COURT, two days after the Town filed the action.

VRS noted that the state complaint concerned ‘the proper delineation of federal preemption under the ICCTA [Interstate Commerce Commission Termination Act] [and] is thus a "civil action[] arising under the Constitution, laws, or treaties of the United States," 28 U.S.C. §1331, and gives rise to federal question jurisdiction.’ {text of notice of removal from Vermont federal court website}

MARITIMES

SAINT JOHN: 2015 RESULTS*
15 January. DURING 2015 PORT SAINT JOHN EXPERIENCED AN OVERALL 10% INCREASE OVER
2014 IN ALL COMMODITY SECTORS OF PORT TRAFFIC, with a total tonnage figure of 26.4 million metric tonnes of cargo handled throughout the year.

Dramatic increases over the past four years in specific cargo sectors through Rodney Container Terminal and Courtenay Bay (dry bulk) contribute to a dramatic percentage increase of 53% in cargoes handled at Port Saint John facilities from 1.3 million metric tonnes in 2011 to 2 million metric tonnes in 2015.

Irving apart

Cargo at private facilities [mostly the Irving refinery, both inbound and outbound – editor] rose 11% during 2015 to 24.4 million metric tonnes. {port press release}

More detail on dry bulk

Paula Copeland, manager of corporate communications & governance, provided a breakout:

Potash & salt comprised 1,156,305 metric tonnes of that in 2015 [correcting the account in 16#01A that potash only made up 5% of the port total].

[PotashCorp reported:

Potash despite the mothballing of the New Brunswick mines [see 16#01A] will continue to be railed to Barrack Point terminal on the east side. In 2015, potash through the port was about 800,000 tonnes.

Salt will apparently end with the mothballing of the mines [see 16#01A]. By subtraction, the salt produced and moved over Barrack Point would be about 350,000 tonnes. {editor}]

Limestone. 37,056 tonnes.

---

8 Generally, the imports of crude oil dropped off as the refinery received by rail. With the price of West Texas and Brent reaching parity recently [see 15#12B Regional], Irving has switched back to water-borne crude [see 16#01A]. Editor
Recycled metals are handled by American Iron & Metals on the west side: 133,083 tonnes.

Petcoke ‘is at Pier 2, inbound, on our West Side and is all destined for use at the New Brunswick Power generating plant at Coleson Cove, west of the city. … 30,564 tonnes.’

Breakbulk ‘does not hold the place of significance it once did since the shift of most breakbulk cargoes to containers.7 We do handle some breakbulk, however and continue to have capacity for this cargo sector should the opportunity arise. Breakbulk in 2015 was only 17,000 metric tonnes.’ {e-mails to ANR&P 18 & 25.Jan.16}

HALIFAX: WOOD PELLETS*
November. SCOTIA ATLANTIC BIOMASS SHIPPED 33,000 TONNES OF WOODPELLETS through the Port of Halifax to a British power plant in November, its largest shipment to date, said General Manager Julie Millington. The European market is always looking for “bigger and bigger shipments to cut down on their shipping costs,” says Millington. She said the company, located in Upper Musquodoboit, plans to ship between 25,000 tonnes and 35,000 tonnes each time. The next shipment will occur between April and June, 2016. [Scotia made two shipments in 2014 via the Halifax Grain Elevator – see 14#07B.]

Challenges
A harsh winter in 2015 presented challenges finding harvesters and getting raw material to the plant. The province and pellet producers are addressing this; Scotia Atlantic has built raw material inventory.

Overall view
Overall the plant, owned by Canadian firm Viridis Energy, is doing fairly well. It had its “first positive quarter in 3Q15 and Q4 looks good too,” Millington said. Operating four days/week, the facility has “the right-size model to get the material and the right price point we needed so it takes a bit longer to build the material” than seven days/week.

Getting enough material to Musquodoboit for seven-day operation is problematic. “I would like to see a second facility in the province and there is a location we are looking at,” she said. {Julie Millington in discussions with ANR&P correspondent Tom Peters 26.Jan.16}

HALIFAX: REMARKABLE RECOVERY*
28 January. CONTAINERS GREW SIGNIFICANTLY IN 4Q15 VERSUS 4Q14, continuing the 3Q15 reversal of a downward trend. The growth was balanced: both imports (17.7% in TEUs) and exports (22.3%) shot up.

5-year changes
The Halifax Port Authority also furnished statistics covering 2011 to 2015. Volume over HPA facilities held remarkably steady, but non-HPA facilities saw a decline from 5.7 million tonnes in 2011 to 3.7 million tonnes in 2015 [see charts].

[The closing of the Imperial Oil refinery in Halifax – see 12#12B – probably contributed enormously to that decline. Editor]

Comment
Lane Farguson, HPA spokesperson, wrote: ‘The entire port community has been working to increase cargo volumes. This positive trend has been ongoing since April, and while it is encouraging, there is still much to be done. The goal now is to work together to see this trend continue. There is still room for growth; there is available capacity at the terminals and on the vessels thanks to the new service, so as a port community we need to continue working together to utilize that capacity.

‘There are a number of factors contributing to this positive trend. August saw new services and

---

7 Paper rolls were once a significant export.
expanded services, and all the carriers calling Halifax have been working hard to fill their slot space. CN has been a tremendous partner and labour continues to play an important role.’ {e-mail to ANR&P 1.Feb.16}

New Halterm services
Ashley Dinning, the head of Halterm Container Terminal Limited, a subsidiary of Macquarie Infrastructure Partners, noted that since January 2015, the Grimaldi Group’s Africa-North America service has included a fortnightly Halterm operation, bringing cars from Mediterranean ports.
EDITORIAL

NORFOLK SOUTHERN AND PAN AM

Ever since 2009, more than one railroader in New England has wondered “when will the next shoe drop?” When will NS buy the rest of Pan Am, following the 2008 purchase by NS of half of the newly-formed Pan Am Southern, which now owns the Pan Am lines west of Ayer.

Now comes Hunter Harrison, insisting that a merger of CP with NS makes sense. In response, what should NS do? Fred Frailey, in his *Trains* blog of 21 December 2015, suggests actions which would affect Pan Am, either for good or for ill.

#3 of Frailey’s suggestions: ‘Junk the weak links.’ Could PAS be one of the weak links NS sheds as not essential?

Neither Pan Am nor NS will discuss the health of Pan Am Southern. In the 2014 NS *Annual Report*, NS’ investment in PAS is valued at $152 million, down from $155 million in 2013.\(^\text{10}\)

Pan Am itself (the remaining part) has put effort into expanding propane and other traffic, but is fighting a losing battle in Maine where paper mill after paper mill has folded. Moreover, anecdotal evidence indicates that mills on NB&M are sending more traffic via CMQ.

In #6 Frailey suggests: ‘Revive the carload network.’ Pan Am is nearly 100% a carload network; the unit trains of grain, autos, and intermodal all terminate on PAS at Ayer. Frailey’s recommendation could boost Pan Am: ‘Empower your short lines and regional connections, using incentive payments, to dig around for new business.’

NS remains in play, and is looking for ways to strengthen its franchise to fend off the raider. Whatever the effect on Pan Am may emerge this year.

\(^{10}\) In contrast, NS’ share of TTX rose from $404 million to $425 million. The joint venture with KCS, Meridian Speedway, did shrink from $278 million to $277 million.
Described in this issue.
Barrett (VRS, Vermont) Moving salt shed to Shelburne?
Brookhaven Rail Terminal (NYA, New York) Possible settlement with town.
Casco Bay Steel (Pan Am, Maine) Awaiting approval for project.
Maine Biomass (CMQ, Maine) Will announce new location.
Northeast Ag (Pan Am, Maine) Not going ahead with IRAP.
Portland Intermodal (Pan Am, Maine) Poland Spring as customer.
Rousselot (Pan Am, Massachusetts) Resumes acid receiving.
Verso (Pan Am, Maine) Bankrupt mill will continue to operate.

**Atlantic Northeast Rails & Ports**

PO Box 357, Freeport, Maine 04032

Vox 207-865-2922  Fax 866-484-4490

Chalmers (Chop) Hardenbergh, publisher and editor

editor@atlanticnortheast.com

www.atlanticnortheast.com

**Coverage**
The newsletter covers the operating freight railroads and ports in New England, the Maritimes, and eastern Québec, as well as the government environment they function within. Coverage includes passenger rail and ships when relevant to freight operations.

**Frequency and the e-bulletin**

**ANR&P** appears at least four times a month. We send a formal issue twice a month, via post or e-mail. Between the issues, we send out the **e-bulletin**, only by e-mail. All information in the **e-bulletin** is included, and often updated, in the issue.

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

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

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

**Pricing**
Subscriptions cost $495 for professionals, $125 per year for students, young and old. (Add $100/year for print issue). Introductory prices available. The **e-bulletin**, sent by e-mail at least weekly between issues, is free of charge to all subscribers.

**Advertising**
Subscribers may purchase half-page ads for $100 per issue. Non-subscribers, $200.

**Copyright notice**

PLEASE DO NOT COPY THIS NEWSLETTER, or forward it in e-mail format, in whole or in part. You receive it as a paying subscriber, or a potential subscriber. Passing it on without explicit permission of the editor violates copyright law, and diminishes the likelihood of our staying in business.

**However**, anyone may quote bits of articles, with attribution, under the fair use doctrine.

**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**