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

Formal issue 16#03A 21 March 2016

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

REGIONAL
CMQ: Regional railroad of the year.*
NEW YORK
Albany: crude by rail down.
QUÉBEC
MMA: Lac Megantic lawsuit versus CP to Maine.
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Pan Am: NGL bows out of South Portland.
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Pan Am: Another tie project to affect the Downeaster.*
Pan Am: Bucksport demolition contractor out of money?*
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Pan Am: Winchester studies Tighe noise reducing.
NEW HAMPSHIRE
[No report.]
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VRS: Site preparation in Shelburne continuing while VRS offers talks.*

MARITIMES
Paper mill news:
- New Brunswick renews Irving mill’s permit.
- Irving modernization nearly finished.
CN-Belledune: First Nations lawsuit to block crude oil export.
Halifax: American Container Line volume to double.*

RAIL SHIPPERS/RECEIVERS
A cross-reference to companies mentioned here.
PEOPLE, POSITIONS, EVENTS
Rian Nemeroff, Dan Wahle

EDITORIAL
Guest editorial: Too many mega-ships?

FROM THE PUBLISHER

Crude oil
The energy market remains in turmoil. In 2012 we in the Atlantic Northeast saw crude oil on Pan Am and MMA, ending with the Lac Megantic disaster. Crude continues to move to Saint John, but on CN. Meanwhile offshore oil is returning as the spread between Brent and US oil has shrunk.

Export remains an option, but local residents in South Portland and Belledune oppose its moving through local ports.
- Chop Hardenbergh

Next issue 5 April.

REGIONAL

CMQ: REGIONAL RAILROAD OF THE YEAR*
8 March. RAILWAY AGE NAMED CMQ THE REGIONAL RAILROAD OF THE YEAR. ‘CMQ has been working diligently to regain business lost prior to the accident as well as increase business. When operations began, the railroad was handling a little more than 3,000 carloads per quarter. Today we are reaching close to 7,000 carloads [see 16#02A], and this has been achieved by providing customers with a dependable and economic transportation option, working with local municipalities and our partner railroads to develop new business opportunities.’ {William Vantuono quoting CMQ officials in Railway Age 3.16}

Awards to other railroads in the region
PW was awarded ‘Regional Railroad of the Year’ in 1999 [see 99#15]. In 2003, HRRC became ‘Short Line Railroad of the Year’ [03#05B], and VRS the same in 2012 [12#03A].

NEW YORK

ALBANY: CRUDE BY RAIL OFF
14 March. GLOBAL AVERAGED 84,000 BARRELS/DAY THROUGHPUTS IN 2014, WHICH DROPPED TO 43,000 IN JANUARY AND FEBRUARY 2016. [See graphic.] The Global Partners terminal [see 15#05B], which receives Bakken crude via CP, can unload up to 160,000 barrels per day and has a term contract to deliver 50,000 barrels per day to the Phillips 66 Bayway Staten Island refinery by barge.

Price declines the cause
If East coast refiners bought their crude at the wellhead in North Dakota during February 2016 they would have paid average prices of about $4.90/barrel below U.S. Benchmark West Texas Intermediate (WTI) at Cushing, Oklahoma. That translates to about $26.25/barrel based on price estimates from Genscape.

Crude railed to Philadelphia refineries costs about $14/barrel, making the delivered cost of crude $40.25/barrel. Bringing in offshore light sweet crude costs close to the Brent price averaging $34/barrel.
Much if not all the oil coming out of North Dakota does so because of longer-term contracts signed by the refineries. {Sandy Fielden in RBN Energy 13.Mar.16}

**QUEBEC**

**MMA: LAC MEGANTIC LAWSUITS REACH MAINE**

17 March, Bangor. **THIRTY-FIVE WRONGFUL DEATH CASES AGAINST CANADIAN PACIFIC RAILWAY WERE TRANSFERRED FROM ILLINOIS TO MAINE.** The plaintiffs have settled with all other parties, such as Edward A Burkhardt, World Fuel Services Corporation, Western Petroleum Company, Irving Oil Limited, Dakota Plains Marketing LLC, Union Tank Car Company, The Marmon Group LLC, Procor Limited, First Union Rail Corporation, and General Electric Railcar Services Corporation.

CP still remains

On this day, plaintiffs filed a motion for the Court approve the settlement. Following that, they will pursue their action against CP, presumably. {court docket web page, case 16-cv-121, Jon Levy presiding}

**CONNECTICUT**

**AMTRAK: URS OVERCHARGES**

2 March. **URS AGREED TO A SETTLEMENT ON VIOLATIONS OF THE FEDERAL FALSE CLAIMS ACT,** U.S. Attorney for Connecticut Deirdre M. Daly said. It will pay $580,000.

According to Amtrak and USDOT investigators, Amtrak in 2007 awarded a contract to Washington Group International Inc. (WGI) to oversee replacement of the Niantic River rail bridge. In 2008, URS acquired WGI, assuming responsibility for the contract. [URS in turn was acquired by Aecom Technology in 2014. {Los Angeles Times}]

The contract allowed URS to apply a fixed labor-rate schedule, including a maximum rate per worker classification, in billing Amtrak for reimbursement of labor costs on the bridge renovation.

However, prosecutors contend, URS charged Amtrak the maximum labor rate per worker, rather than the actual rate, for each employee listed as working on the project, resulting in overbilling to U.S. taxpayers. {hartfordbusiness.com 2.Mar.16}

**MAINE**

**PAN AM: NGL BOWS OUT OF SOUTH PORTLAND**

17 March, South Portland. **NGL ANNOUNCED IT WOULD NO LONGER SEEK TO MOVE TO RIGBY YARD** [see 16#02A]. The announcement from Kevin Fitzgerald, regional operations manager for NGL Energy Partners, said”

“Despite a year-long, good-faith effort by the company to address all legitimate safety concerns and to comply with the city’s existing and prospective regulations, it has become apparent that some in city government are determined to oppose the project by any means possible and under any circumstances.”

**What other locations?**

NGL executives are considering several sites in southern Maine that have railroad access and have received positive responses to initial inquiries, said company spokesperson Michael Cuzzi. He declined to say where.

NGL in the interim will increase supplies at other regional terminals, including a site in Auburn\(^T\) for the

\(^T\) NGL bought Downeast Energy in 2012 [see 12#05A]. Dead River and DCP operate propane terminals on SLR in Auburn, but not NGL or
short term, while exploring the development of a new facility at an alternate location in Maine Susan Sharon MPBN in Bangor Daily News 18.Mar.16

**PAN AM: MADISON PAPER CLOSING**

14 March, Madison. ANOTHER MAINE PAPER MILL CLOSED. ‘UPM-Kymmene Inc and Northern SC Paper Corp, a subsidiary of the New York Times Company, announced today the dissolution of their partnership, Madison Paper Industries, in the USA. The partnership's paper business will end and paper production is expected to conclude by the end of May at the latest. Hydro power assets located at the mill site will be sold.

‘With the closure of the mill, UPM will reduce production of a total of 195,000 tons of its supercalendered paper capacity.

‘The closure will impact approximately 214 employees located at the mill site. Some employees will remain beyond May to maintain buildings, operate the hydro generating facilities, and support activities related to the closing. All employment-related actions will be handled in accordance with federal and state statutory requirements.

‘“Despite everyone's best efforts, the difficult decision has been made to cease paper production at Madison. Demand for SC papers declined significantly in 2015 and the decline is expected to continue. The Madison mill is not cost-competitive and has lost a significant amount of sales in the recent past,” said Ruud van den Berg, senior vice-president of UPM Paper ENA.’ {UPM press release}

**Decline in demand**

In the past 16 years, demand for newsprint has declined 15%, and for glossy paper, between 30% and 50%, an industry analyst said. {Rachel Ohm in Waterville Morning Sentinel 15.Mar.16}

**Transportation costs?**

Jesse Marzouk, an industry analyst with Hilco Global Companies, said Maine’s transportation costs were high relative to other places. Asked for some specificity, he said could not even provide an overall percentage of how much higher, writing on 15 March: ‘I do not feel comfortable sharing anything that I have. We are bound by confidentiality agreements with all of the companies I work with.’ {e-mail to ANR&P}

**Other factors?**

The imposition of tariffs on Canadian imports of supercalendered paper [see Maritimes] helped, Lugdon said, but the simultaneous drop in the Canadian dollar made up some of the difference. “The work that we put into the trade case and the tariffs that were installed really have lost some of their effect because of the exchange rate.”

Tony Buxton, a Portland attorney who represented the mill through the Industrial Energy Consumers Group, said he viewed the exchange rate challenge as more fleeting than the mill’s energy costs, based on his conversations with company officials and observations.

Recent wintertime shutdowns made the mill less reliable to its parent company, he said. “They worked around that for the first year. By the second year, they had figured out how to work around it completely, and it became a question of whether the mill would stay open.”

Buxton, who also represents Kinder Morgan’s Tennessee Gas Pipeline before the Maine Public Utilities Commission, said he believes quicker action from state regulators to expand gas capacity could have prevented the Madison closure and others. {Darren Fishell in Bangor Daily News 15.Mar.16}

**Effect on rail**

Pan Am stopped serving Madison in 2013 [see 13#11B], when Madison found the service inadequate.

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[Downeast [see map in 15#01B]. Could NGL and Pan Am cooperate on a temporary site?]
Remaining paper mills in Maine
In the past 24 months, five mills have closed: Verso in Bucksport, Old Town Fuel and Fiber in Old Town, Lincoln Paper and Tissue in Lincoln, Great Northern in Millinocket, and now Madison.

That leaves Sappi mills in Hinckley and Westbrook, Verso in Jay, Catalyst in Rumford, Woodland Pulp in Baileyville, Twin Rivers in Madawaska, and Cascades and International Paper in Auburn. {editor}

PAN AM MAINE: ANOTHER TIE PROJECT*
9 March, Portland. THE RAILROAD WILL PROVIDE ‘CERTIFICATION’ FOR ITS TRACK EQUIPMENT THIS YEAR, said Northern New England Passenger Rail Authority Executive Director Patricia Quinn in describing the need for another tie replacement project on the line between Portland and Haverhill in 2016.

She told Maine legislators this week that the project won't cause nearly as much disruption as the tie replacement project in 2015, which forced late and canceled trains and depressed ridership.

Better prepared
Quinn said Pan Am Railways, which will do the work, will be better prepared. “It's in the fall, not in the spring. So the crews will be broken in, the equipment will be broken in. And we've also had several meetings with Pam Am and required certification that the equipment be in good shape before we start. So it should be much less painful.”

Ridership is “soft, but rebounding” this year. Rising revenue and shrinking expenses should mean Downeaster service will need $1 million less in state subsidy than was projected for this fiscal year. {Irwin Gratz in Maine Public Radio 9.Mar.16}

PAN AM: BUCKSPORT DEMO STOPPED*
9 March, Bucksport. THE DEMOLITION OF THE FORMER VERSO PAPER MILL STOPPED BECAUSE SUBCONTRACTORS WERE NOT GETTING PAID. AIM Development hired DeNovo Constructors of Chicago to demolish the mill, and work began in 2015 [see 16#02B].

Susan Lessard, interim town manager for Bucksport, said subcontractors walked off the job this week after DeNovo failed to pay them for work they have done at the site. They contacted the Town, which referred them to AIM.

Demolition must be finished
Lessard said the town is concerned that the stoppage will result in the project taking longer than 12 to 14 months to complete.

The demolition permit issued to AIM in autumn 2015 required two bonds to guarantee completion of the project. One ensures a bond of $3.9 million, directly accessible to the town, in the event that AIM does not complete the demolition project. The other gives the company seven years to find new uses for concrete foundations at the property and, if it cannot secure new uses for them by then, guarantees up to an additional $600,000 to have the foundations removed.

The longer to complete the work, the longer to find a new use, Lessard said. “There will be no redevelopment of this site until [the demolition] is completed.” {Bill Trotter in Bangor Daily News 9.Mar.16}
CMQ: ANOTHER PAPER MILL DEMOLISHED?*

3 March, East Millinocket. THE FORMER EAST MILLINOCKET PAPER MILL IS HEADING FOR DEMOLITION. On this day, Hackman Capital Acquisition transferred ownership to North American Recovery Management (NARM), formed in January 2016 to invest in properties with ‘obsolete assets requiring demolition, and other environmental remediation.’

Hackman, a Los Angeles investment firm, bought the plant in a bankruptcy auction for $5.4 million in December 2014. “I believe they tried to find a potential operator, or someone to repurpose the mill for another use, but couldn’t find anyone,” said Randy Creswell, an attorney with Perkins Thompson, the firm acting as bankruptcy trustee. “I think (Hackman Capital) was trying to be a good citizen about this. My understanding is they’ve sold it to specialists in demolishing large industrial sites.”

Sic transit gloria mundi

At their peak, the East Millinocket mill and its sister in Millinocket employed 4,000 people in the best-paying manufacturing jobs in the state. Millinocket shut in 2008 and was demolished in 2015. East Millinocket, after intermittent closings, was idled in 2011. Cate Street Capital re-opened it later in 2011 [see 11#11A], but closed it in 2014 [see 14#09A]. {staff reports in Portland Press Herald 9.Mar.16}

PAN AM: UPDATE ON DIRTY DIRT

6 March, Orrington. MORE ON THE MOVEMENT OF CONTAMINATED SOILS OUT OF ORRINGTON came from the Monthly Status Reports produced by EQ Logistics, then sent to Mallinckrodt’s director of environmental remediation Kathy Zeigler. She applies a cover letter and sends the Report to Maine DEP.

The first cars moved in December [see 15#12A]: ‘14 cars of excavated soil from the Leach Field area and 43 cars from the Landfill to Republic disposal facility in Niagara Falls, New York’ {Monthly Progress Report, Orrington Remediation Site, December 2015, submitted to MDEP 6.Jan.16}

Contents
1. Origin – types and amounts of contamination (mercury only).
3. Railcars and their licensing.
4. Loading.
5. Railcars moved to end February

1. ORIGIN, SITES EXCAVATED, TYPES & AMOUNTS OF CONTAMINATION (MERCURY ONLY).

Note: This article discusses only mercury contamination, as exemplary of the waste by rail. Mercury was used at the site as a cathode to collect sodium from seawater, to produce sodium hydroxide and sodium hypochlorite for Maine paper mills [see 15#12A 1. History].

Types of waste
MDEP anticipates that US Ecology will ship out three kinds of waste.

Hazardous mercury waste. Maine labels waste as hazardous if it falls into one of three categories: ignitable, or leaches a certain amount of metal, or is a listed waste.

Mercury is listed in MDEP regulations Chapter 850: IDENTIFICATION OF HAZARDOUS WASTES. Levels above 0.2 milliliters per liter are considered hazardous. Federal guidelines translate that level in solids as 4 milligrams per kilogram.

Special mercury waste. Any waste with any mercury in it below the ‘hazardous waste’ level defaults to special waste.

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3 Jason Inhoff, NARM chief financial officer, signed the deed. His Linkedin profile provided the company goal.
General debris. This has no measurable mercury in it.

The sites excavated and amounts
The total amount excavated was estimated in 2008 at 246,720 cubic yards: 80,100 cubic yards special waste and 160,100 yards hazardous waste. In 2010 the amounts were estimated at 159,000 cubic yards hazardous waste and 58,700 special waste. As testing continues, the amount may change [see 15#12A section 3].

The remediation order requires four areas to be completely excavated and the dirty dirt removed:

- Landfill 1. Hazardous mercury level, some borings above 500 milligrams per kilogram.
- Landfill 2. Hazardous mercury level, one boring at 357 milligrams per kilogram. Must be removed.
- Landfill ridge, the former gravel pit. Special waste.
- Leach field area. [Not located on map.] In December 14 cars from the leach field went to Niagara Falls.


General debris is trucked to the Juniper Ridge landfill, owned by the State of Maine and operated by Casella in Alton. {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 railcar CIFX 804226. The Monthly Progress Report for December 2015 contained a table showing that CIFX 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 CIFX 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 (the results of the investigative borings) 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 CIFX (CIT Group) cars, 254 CEFX (CIT Equipment Finance Corporation) cars, 2 JTLX (David Joseph Transportation) cars, and 4 NRLX (Bombardier Capital Rail) cars.

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 how empty cars are positioned, loaded, and then removed. Because Pan Am lines have a 263,000-pound limit, US Ecology is told not to load cars with more than 98.5 tons [see box].

EQ is using a Viking car mover [see photo].
**5. RAILCARS MOVED THUS FAR**

**Source of data**
The *Monthly Progress Reports*, since beginning the reporting of railcar movements, have contained less and less information:

**December.** Here EQ Environmental provided a table of each railcar moving to Niagara Falls, the days enroute, and the date the car left Niagara Falls.

**January.** Here EQ Environmental provided a table of each railcar moving to Niagara Falls, but omitted the columns showing days enroute to Niagara Falls, and the date the car left Niagara Falls.
February. This report omitted the table altogether, and had only this:

‘The quantity of waste shipped to the various disposal locations
As of the end of February 2016, a total of 20,360 tons of soil from the Landfill Ridge Area has been shipped off-site in 207 rail cars to the Republic disposal facility in Niagara Falls, New York.’

Strings sent
According to the data, Pan Am ran trains which lifted the strings out of Orrington thrice in December, and six times in January:

<table>
<thead>
<tr>
<th>Month</th>
<th># cars loaded</th>
<th># cars shipped</th>
<th>Destination</th>
<th>String (date, #)</th>
<th>String (date, #)</th>
<th>String (date, #)</th>
<th>String (date, #)</th>
<th>String (date, #)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December</td>
<td>63</td>
<td>57</td>
<td>Niagara Falls</td>
<td>4th, 32</td>
<td>9th, 10</td>
<td>11th, 7</td>
<td>16th, 8</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>83</td>
<td>89</td>
<td>Niagara Falls</td>
<td>8th, 14</td>
<td>9th, 14</td>
<td>12th, 15</td>
<td>20th, 15</td>
<td>26th, 20</td>
</tr>
<tr>
<td>February</td>
<td>*</td>
<td>61*</td>
<td>Niagara Falls</td>
<td>No data on particular strings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Running total</td>
<td>*</td>
<td>207*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

{Monthly Progress Reports}
The journey of one car

CIGX 804220 was used in December, the first month of rail shipments, and in January, the second. The Monthly Report from US Ecology shows:

<table>
<thead>
<tr>
<th>Date loaded</th>
<th>tons</th>
<th>Released</th>
<th>Picked up</th>
<th>#days loaded not moved.</th>
<th>Date delivered</th>
<th>#days enroute</th>
<th>Date emptied</th>
<th>#days before emptied</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 November</td>
<td>98.3</td>
<td>2 December</td>
<td>4 December</td>
<td>5</td>
<td>10 December</td>
<td>6</td>
<td>15 December</td>
<td>5</td>
</tr>
<tr>
<td>25 January</td>
<td>98.45</td>
<td>26 January</td>
<td>27 January</td>
<td>4</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

* This data missing from January report.

The 80 cars on 21 March

Of the 80 cars EQ had permitted for the move [see above], a trace of them on 21 March by a colleague showed:

18 in South Orrington empty

1 in Portland heading to South Orrington.

9 in Selkirk empty headed for South Orrington

22 not showing – possibly because they are loaded with waste.

30 in Taunton empty heading for New Bedford. Either for the EPA to resume its railing of dredge spoils when the bridge reopens in the spring [see 16#02B Regional], or for Mid-Scrap in Westport. Editor

PORTLAND: PIPELINE DONE?*

9 March THE PORTLAND PIPE LINE COMPANY STATED THAT IT ‘REMAINS OPEN FOR BUSINESS, SUPPORTING ITS CUSTOMERS, EMPLOYEES AND ANNUITANTS, continuing the safe and excellent operation it has long been known for.

‘The company’s challenge of South Portland’s so-called ‘Clear Skies’ ordinance continues and remains in litigation. Accordingly the company will have no further comment on its business operations or product movements.’ {statement issued by Jim Merrill, New Hampshire director of the Bernstein Shur Group}

Pipeline moving zero oil

The statement followed first, publication in 16#02B of the Maine statistics showing that the pipeline between Montreal and South Portland carried zero oil in January, for possibly the first time in its history. Using the MDEP report, AP quoted Mark Usinger of Portland ship chandler A.E.Griffin that no ships had brought crude to the pipeline in February, either. The pipeline was ‘mothballed’. {Tom Bell of AP in Press Herald 8.Mar.16}

Status of pre-emption lawsuit

In 2015, Portland Pipe Line asked Maine federal district court to declare the South Portland ordinance preempted by federal regulation.

On 11 February 2016, Judge John Woodcock ruled against South Portland’s motion to dismiss the lawsuit.

The Ordinance’s practical effect is to prevent Portland Pipe Line from using its infrastructure to transport oil by pipeline from north to south, i.e., from Canada to South Portland.

Portland Pipe Line brought suit seeking declaratory and injunctive relief, and South Portland moved to dismiss the suit on the justiciability grounds that the suit was unripe, that Portland Pipe Line lacked standing, and that the Court must
not render an advisory opinion.

The Court, however, finds the dispute to be ripe because Portland Pipe Line has expressed its intention to import oil and cannot do so as long as the Ordinance remains in place. Other approvals may be required, but Portland Pipe Line has won these approvals in the past and should not be made to pursue them again while the question of the Ordinance’s legality remains unanswered. The Defendants' standing and advisory opinion claims are similarly unavailing. The Court denies South Portland’s motion to dismiss. {court website, case 2:15-cv-0054}

But oil still moving by rail to Saint John
While Maine is seeing no crude, CN continues to rail it to Irving in Saint John. On 5 March CN train 406 hauled 130 cars to Saint John, mostly oil tanks. {RailsNB 5.Mar.16}

MASSACHUSETTS

PAN AM: TIGHE WINCHESTER
21 March, Winchester. THE TOWN OF WINCHESTER IS INVESTIGATING ABATING THE NOISE OF SWITCHING THE TIGHE WAREHOUSE. In 2015, it hired consultants Parsons Brinckerhoff to ascertain noise levels and to propose abatement measures. Erich Thalheimer, PB principal noise & vibration engineer, conducted the tests in October, and wrote his report 23 October 2015.

Town Manager Richard Howard on 21 March said the town had not held public hearings on the study, but did do neighborhood information sessions.

A by-law the only solution now
While Thalheimer suggested constructing a wall, or even a shed, Howard said neither was going to happen, due to cost. Town Meeting in April and May would hear a proposed noise mitigation by-law which would apply town-wide.

“If it were adopted and the limits applied to the Tighe location, my guess is that federal pre-emption would remain a hurdle,” Howard said.

The noise for the residents remains a problem, he said, because of the post-midnight switching time. {ANR&P discussion}

THE PARSONS BRINCKERHOFF NOISE STUDY
Excerpts:

Complaints
‘The main points of complaint heard from the public regarding railcar deliveries to the Tighe Group building at night included (1) locomotive idling noise, (2) banging noises as railcars are connected and disconnected, and (3) train horns. The typical hours of concern were described as from 1:00AM to 4:00AM on Sunday and Tuesday nights (i.e. Monday and Wednesday mornings).’

Noise measurements and results
‘Detailed noise measurements and observations of train activities were performed the night of 10/6/15 to 10/7/15. In addition, unattended long-term noise measurements in the Baldwin Street neighborhood were performed during the week of 10/6/15 to 10/13/15. ...

‘During the night of 10/6/15 to 10/7/15 there were fourteen train events observed between the hours of 9:00PM to 4:00AM. This included ten MBTA commuter trains, one Amtrak Downeaster train, two freight train passbys, and one freight train delivery to the Tighe Group building … .

‘Based on noise data collected the night of observed train events, the average noise level in the community generated by MBTA, Amtrak and freight train passby events are approximately 55-58 [decibels], making train passbys one of the louder noise sources in the community though not necessarily the loudest
events. Other noise sources are also audible in the community such as local traffic including heavy trucks, distance traffic, aircraft and helicopter overflights, rooftop HVAC units and insect noise. In comparison, background noise levels measured in the absence of any train activity ranged from 39 to 46 [decibels].’

**Tighe railcar delivery noise**

‘[The] railcar delivery to the Tighe Group building was observed as it occurred from 12:39 to 1:12AM the morning of 10/7/15. The delivery involved a single locomotive and a single railcar which was backed into place and parked alongside the Tighe Group building... . The locomotive was the dominant noise source during railcar delivery. Other noises included disconnection of the railcar and the spur switch being opened and closed manually. The locomotive then departed southbound without removing any of the other railcars which were already behind the building. Notably, there were no train horn soundings throughout the entire night.’

**Regulatory setting**

‘Nighttime railcar deliveries to the Tighe Group building in Winchester are most likely not subject to any noise code or restrictions. Federal rail noise guidelines would not apply because the deliveries are not a “project” funded by FRA or FTA. The State’s noise regulation, 310 CMR 7.10, as enforced through MassDEP, would not apply because the regulation is intended for stationary noise sources and exempts transportation sources such as highways and railroads. No noise bylaw is currently in place in the Town of Winchester.'
Putting the noise in perspective
‘That said, an evaluation of the noise levels generated by the nighttime railcar deliveries was performed with respect to FRA/FTA and MassDEP noise guidelines. This evaluation was done in order to put the severity of the nighttime delivery noise in some perspective. This evaluation is not intended to find or establish fault requiring mitigative actions be taken by the noise producers.

FRA-FTA noise criteria. [Explanation of noise limits not included.] Given the measured existing noise exposure in the Baldwin Street neighborhood … without railcar deliveries, … additional noise produced by railcar deliveries to the Tighe Group building is [not significant enough to conclude that there would be any noise impact] to the community in accordance with FRA/FTA guidelines.

MassDEP noise guidelines. ‘MassDEP noise criteria are intended to limit continuous noise sources. They are not well-suited nor applicable to regulate louder event-type noises such as truck and train passbys, construction activities, or impulsive noises. That said, given the quietest measured background noise level in the Baldwin Street neighborhood of 41 [decibels], the noise limit for [what would be considered by MassDEP to be an impact] would be 51. The noise level of the railcar delivery process projected to a distance of 740 feet into the community would be 50, which would just comply with the MassDEP noise limit. However, residents living closer to the tracks (within 680 feet) could experience delivery train noise levels in excess of 51 and would therefore be considered impacted.’ {page 11}

OPTIONS TO ABATE THE NOISE
Any noise abatement, wrote Thalheimer, faces a challenge ‘due to the low-frequency noise produced by locomotives making railcar deliveries at night to the Tighe Group building. Low-frequency noise is difficult to control due to its long wavelengths and omni-directional propagation patterns.

‘Nevertheless, noise control options do exist for this project, as described below. However, it is important to note again that there are no enforceable regulatory violations in this case, so noise mitigation measures are not compulsory.’

Source controls
‘Noise controls applied at the source’ are normally the best: they eliminate the generation of unwanted noise.
‘One possibility is to restrict (agree, require) the use of only quieter electric locomotives to service the Tighe Group building at night. However, this is likely [!! editor] an unrealistic idea because various freight companies might be involved, and implementation would be unenforceable.’

Time restrictions? ‘Clearly, railcar deliveries at night are much more aggravating to the community than deliveries during daytime hours would be. However, freight carriers and the MBTA would prefer freight activities be conducted during off-peak (non—revenue) hours which is typically from about 1:00AM to 5:00AM.

Idle restrictions? The state does limit some locomotive idling [MGL Ch. 90, Section 16A]. ‘However, the law clearly exempts “vehicles engaged in the delivery or acceptance of goods, wares, or merchandise for which engine-assisted power is necessary and substitute alternate means cannot be made available.” Moreover, enforcing such an idle time restriction in the middle of the night would be very difficult to accomplish. {page 11}

Train horns
… ‘[T]here are no requirements for the freight trains to be sounding their horns as they make deliveries at night to the Tighe Group building. Horns are not required when exiting or merging back onto the main line from a side spur. If horns are being sounded during a delivery to the Tighe Group building then it is being done at the discretion of the engineer; typically in the case of when construction crews are working on the tracks5.’

5 This is not discretionary but compulsory.
Noise barriers
… ‘Noise barriers can be built of any solid mass construction material providing a surface density of at least 4 pounds per square foot. Common noise barrier materials include wooden timbers, concrete, brick, steel or plastic panels, and earthen berms. If designed and built properly, a noise barrier can provide up to 15 decibels of noise reduction. However, the amount of noise reduction is greatest for receivers close to the barrier and is lessened with distance from the barrier. Also, noise barriers are more effective at mid- and high-frequency than they are at low-frequency.’ {page 12}

‘In this case a single noise barrier could be considered for construction along the western side of the Tighe Group rail spur [see Figure 2].’ A barrier 600 feet long and 18 feet high ‘would provide noise relief to the neighborhood west of the tracks (i.e. Baldwin Street, Williams Street, Newton Street), but at the risk of elevating noise levels east of the tracks (i.e. Forest Street, Brookside Avenue) due to noise reflecting off the barrier. … At an estimated unit cost of $40 per square foot [including Pyrok to reduce sound reflecting], this barrier could cost $432,000 to install.’

Enclosed Train Shed
… ‘Noise from the entire delivery process — i.e. the locomotive, railcar connections, rail switch noises, etc. — would be contained within the shed. A well-designed and constructed acoustical shed could reduce delivery train noise by 10 to 15 decibels. … A train shed would be the most effective means of reducing railcar delivery noise for all affected communities to the west, east and south of the Tighe Group building. A rough cost estimate to construct such a shed would be $1,500,000.’

Receiver controls
‘Residential soundproofing consists of augmenting or replacing window and doors, installing AC systems, and reinforcing a "room of preference" (such as bedroom) with additional gypboard walls and ceilings. When done correctly, noise levels inside the home can be reduced by 10 decibels relative to the unmitigated condition. Of course, soundproofing the houses only reduces noise infiltrating into the homes; it does nothing to reduce outdoor noise. From residential soundproofing programs implemented by FAA and FHWA, the cost to soundproof a single-family home would be approximately $30,000.

Hush money
‘Very rarely, and never with public money, monetary compensation can be offered to the aggrieved public in return for their signing waivers to stop complaining about the noise. This form of receiver noise control is jokingly referred to as “hush money”, but there are times when it is the only pragmatic solution. Specific details and dollar amounts are usually kept confidential.’ {page 14}

VERMONT

VRS: WILLING TO TALK*
8 March, Burlington. THE RAILROAD REMAINS OPEN TO RESOLVING THE SHELBURNE TRANSLOAD DISPUTE OUT OF COURT, said Selden Houghton VRS assistant vice-president. [The Town will take up the VRS offer of the use of a South Burlington site. See 16#02B.]

Speaking the day after the federal court set up a schedule looking to another hearing in April, he added that site preparation will continue under a state stormwater construction permit: crews are at work improving an access road, removing stumps, and bringing in fill for a rail spur. {Joel Banner Baird in Burlington Free Press 11.Mar.16}
MARITIMES

NBSR: IRVING PAPER MILL GOING STRONG*
4 March, Fredericton. NEW BRUNSWICK RENEWED IRVING PAPER’S PERMIT, following four months of consultation. The current permit expires 31 March; the new permit will take effect 1 April. Class 1 major industries are required to comply with the Air Quality Regulation under the Clean Air Act and to operate under the terms and conditions established in the approval to operate.

Tonnage of pulp and paper
The mill uses the Thermal Mechanical Pulping (TMP) process to produce about 900 tonnes of pulp per day from 100% softwood. From a mixture of TMP pulp, bleached kraft pulp received primarily from the Reversing Falls kraft pulp mill, and clay fillers, Irving Paper produces about 1,200 tonnes of paper per day, consisting of specialty grades for flyers, catalogues and magazines. {government of New Brunswick press release}

Rail
Irving has moved paper via CMQ to points in the United States [see 16#02A #4].

Duties on Irving Paper?
On 9 February, U.S. Senators Angus King and Susan Collins said the Commerce Department plans to review, on an expedited schedule, duties imposed on Irving Paper and Catalyst Paper’s Canadian mills.

The United States in November 2015 approved tariffs on imports of supercalendered paper grades from Canada: 20.18% on such paper from the Port Hawkesbury mill in Nova Scotia, a 17.87% duty on Resolute Paper, and 18.85% on such imports from Irving Pulp and Paper and Catalyst Paper.

The Maine delegation raised concern about those two final duties as Irving and Catalyst together employ around 1,000 people in Maine.

Trade officials did not investigate in detail allegedly unfair Canadian government subsidies to Irving and Catalyst, but based the tariff for those companies on review of Port Hawkesbury and Resolute. ‘Irving and Catalyst are entitled to a fair and fact-based investigation,’ King and Collins said in a joint statement.

Both companies argue they have received no subsidies that are grounds for the assessment of tariffs and neither was investigated individually in the case. {Darrell Fishell in Bangor Daily News 9.Feb.16}

7 March, Saint John. THE IRVING PULP AND PAPER MILL MODERNIZATION WILL FINISH MARCH 2016, Irving announced this day. ‘The current phase of the Irving Pulp & Paper Mill Modernization project is approximately 87% complete—all without a single break in production. The new equipment and technology is on schedule for commissioning and start-up by March 2016.’

Tour by engineering students
Irving also touted its contribution to provincial education for power engineers and others, including a 23 February visit by students to the mill. ‘JDI is proud to employ over 1,400 graduates from New Brunswick Community College (NBCC) and Collège Communautaire du Nouveau-Brunswick (CCNB) across our operations, over 97% here in New Brunswick.’ {text of press release}

BELLEDUNE: CRUDE TERMINAL
15 March. THREE MI’GMAQ COMMUNITIES ARGUED IN COURT ABOUT CHALEUR TERMINALS’ PROPOSAL FOR A CRUDE EXPORT TERMINAL. At full bore, the terminal would receive 220 rail cars a day [see 15#03A-B].

Listuguj First Nation and the Mi'gmawei Mawiomi Secretariat (MMS) filed a notice of application in July 2015, requesting the court quash Chaleur Terminals' three previously approved permits: environmental,
construction and site permits issued by the provincial government, as they were not consulted.

Justice Lucie Lavigne heard the lawyers for the First Nations communities outline the plan of Chaleur Terminals, and its possible effect on the land, according to the experts. “We hope the judge listens to our case,” said Troy Jerome, executive director of MMS, a not-for-profit organization. “We have ancestral rights here in the Mig'maq territory and we want the province to do this the proper way.”

**Hearing extended**
The court had planned only two days of hearings, but has now asked parties to return 17-19 May for Chaleur Terminals Inc and the province of New Brunswick to respond to the arguments presented. {CBC 15&16.Mar.17}

**The likelihood of export**
Given the drop in the price of crude oil, the attractiveness of exporting crude has disappeared. Many refineries on the East coast are importing their crude, rather than rail in crude from the middle of the continent [see other article].

CN operated a 97-car U762 unit crude oil train into Moncton for (presumably) the Irving refinery in Saint John on 19 March. {RailsNB Facebook}

Depending on politics, the Energy East pipeline to Saint John remains on track, though some point out that export through South Portland would be cheaper as the pipeline already exists through Maine. [See Maine.]

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**HALIFAX: ACL VOLUME TO DOUBLE**
10 March. *ATLANTIC CONTAINER LINES SIGNED A NEW FOUR-YEAR AGREEMENT TO USE THE CERES TERMINAL* in Halifax through 2022. Andrew Abbott, ACL president/CEO commented:

“We looked long and hard at various schedule alternatives for our new ships. Some excluded Halifax. But we just could not ignore the close cooperation and support of the HPA and Ceres that removed every obstacle to a long-term agreement.

**CN improved; volume to double**
“The quality improvements to the CN Rail service and the consistent cooperation of our ILA colleagues were also influential factors in our decision.

“As a result of this, all the stakeholders of the port will benefit, as ACL volume via Halifax will eventually double as all of our new ships enter service. ACL looks forward to a long future in Halifax with our large, new, fuel efficient and environmentally friendly G4 vessels.

“The Port of Halifax will now remain our largest port in North America, and our gateway for Canada and the US Midwest.”

**More on ACL**
Atlantic Container Line, a Grimaldi Group company, has been continuously calling the Port of Halifax since 1970 following the inaugural call of the ACL G1 vessel *Atlantic Star* in 1969. In January 2016, the Port of Halifax welcomed a new *Atlantic Star*, the first of the five new G-4 ACL CONRO vessels.

ACL’s G4 fleet has a container capacity of 3800 TEUs, plus 28,900 square meters of RORO space and a car capacity of 1300+ vehicles. The RORO ramps are wider and shallower than the G3s they are replacing. At up to 7.4 meters high, the G4 RORO decks are higher and wider, with fewer columns, enabling much easier loading and discharge of oversized cargo. Emissions per TEU have been reduced by 65%. ACL offers five transatlantic sailings each week and also handles the Grimaldi services between North America and West Africa.
and between North America and the Mediterranean. {ACL press release}

**RAIL FREIGHT FACILITIES**

*Described in this issue.*
AIM (Pan Am, Maine) Outbound debris move halted.
Chaleur (CN, New Brunswick) Crude export terminal?
Global Partners (CP, New York) Crude oil traffic down.
Irving Paper (NBSR, New Brunswick) Upgrading.
Madison Paper (Pan Am, Maine) Closing.
Mallinckrodt (Pan Am, Maine) Railing out dirty dirt.
NGL (Pan Am, Maine) Not moving to South Portland.
Tighe (Pan Am, Massachusetts) Winchester noise mitigation?
VRS transload (VRS, Vermont)

**PEOPLE, EVENTS**

**Rian Nemeroff**, long-time marketer for the **Housatonic Railroad**, is moving to the **Reading and Northern Railroad**. Reading & Northern President Wayne Michel said he worked with Nemeroff at Conrail: "Our forest products business is critical to our long-term success and Rian has the experience of working with these customers from both a short line and Class I railroad perspective, as well as being an employee of two major forest products companies."

**Dan Wahle**, long-time New England railroader, will succeed Rian at the Housatonic. Previously he worked for Tremont Rail Consulting, US Rail New York, LLC (which operates the Brookhaven Rail Terminal), and the Massachusetts Coastal Railroad.

**EDITORIAL**

**GUEST EDITORIAL: MEGA-SHIPS HELP?**
Proponents of the proposed new container terminals in Sydney and Melford will find words which support them, and words which undermine them, in a Drewry study of the impact of vessel size increases up to and beyond 18,000 TEUs. The economies of scale, a key feature of the liner industry, may be running out.

In the new-build ‘arms race’, carriers have built larger and larger vessels to drive down unit costs and [supposedly – editor] improve profitability. A further 53 megaships are expected in 2016.

While per container voyage costs decline, port and landside costs to handle the larger vessels increase, making total system savings small and declining. Ports have to cater for deeper draughts. Terminals need to upgrade equipment, yard facilities, and manning levels to effectively handle increased peak cargo volumes.

On a total ‘system cost’ basis the study found that the upsizing of vessels provides only modest savings for the overall supply chain. Efficiency gains are further eroded as vessel size increases beyond 18,000 TEU. Drewry expects that even with no further increase in maximum vessel size, the sheer number of mega vessels expected to be delivered in 2016 will strain terminal resources.

Continued vessel upsizing risks:

- No significant cost benefit, lower service frequency, and/or less choice for shippers.
- Higher supply chain risks as volumes are concentrated in fewer vessels.
- Environmental effects arising from dredging deeper channels and expanding yard area.
Tim Power, managing director of Drewry, said: “All stakeholders in the supply chain must recognise the need for dialogue and collaboration if the maritime transport system as a whole is to benefit. If these benefits cannot be delivered and economies of scale in this industry really are running out, the implications are profound.”

**A benefit**
If economies of scale in liner shipping have finally run their course, future vessel ordering will no longer be driven by the need to secure economies of scale but will instead be based on lines’ assessment of future demand growth.

“When this happens, the tendency to structural overcapacity that has plagued the industry will be much reduced,” added Power. “If this were combined with a process of continuing industry consolidation, liner shipping might at last be in a position to generate sustainable profitability.” {Drewry bulletin 9.Mar.16}

**Impact on Sydney and Melford**
Advocates of a new-build terminal at each port argue that their handling design will significantly reduce container handling costs. If the mega-ships encounter congestion in the existing ports such as New York, carriers might turn to terminals with much lower handling costs, even if they must sail additional distance.

On the other hand, if the carriers finally end their race to ever-larger vessels, the need for new, large terminals may vanish. *Editor*

**Container rates falling**
With a softening of global markets, and perhaps a glut of container ships, the World Container Index’s composite index, an average of spot freight rates on 11 global East-West routes connecting Asia, Europe and the US, reached a record low of US$701 per FEU on 10 March.

This was the lowest reading since the World Container Index starting tracking weekly transatlantic, transpacific, and Asia-Europe rates in June 2011.

The index rate assessments for the Shanghai-Rotterdam and the Shanghai-Genoa routes fell to all-time lows of US$354 and US$341 per FEU box, respectively, while the latest Shanghai-Los Angeles rate of $878 per FEU was marginally higher than the record low for that route.

“The World Container Index’s composite index is now 60% lower than the average of the past 5 years and has decreased by 62% in the past year,” said Richard Heath, director of WCI.

Philip Damas, director at Drewry, which jointly owns WCI alongside Cleartrade Exchange, said: “Rate reductions are spreading across all routes, as the shipping market continues to soften. This is good news for shippers’ cost budgets, as the latest average index value of $701 per FEU represents an expense of less than 10 cents per kilometre and makes products competitive even in remote markets.” {Drewry press release 10.Mar.16}
Atlantic Northeast Rails & Ports

Coverage

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

Frequency and the e-bulletin

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

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

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

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

Pricing

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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