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

PW: Carloads for 2015 up 10.3%. Details on the annual meeting, and much more.
NÉC R v Pan Am: NHDOT asks STB to not accede to NÉC R request.*
Crude by rail: Tank car lease rates.*

[No report.]  QUÉBEC

NAUG: C&D at Frost Bridge may start in June. Map. MAINE

Maine IRAP: Winners announced soon.*
Pan Am Maine: A glimpse of hope at the paper mill in Rumford.*
Eastport: Salt will be first use of conveyor. MASSACHUSETTS

Pan Am: The four customers in Somerville: ++
Maps.
- Boston Paper Board
- MS Walker
- Boston Sand and Gravel
- Keolis.

NEW HAMPSHIRE

Pan Am: More details on decontamination of Fletcher’s Paint sites.

RHODE ISLAND

[See Regional for details.]

VERMONT

VRS: Railroad and Barrett’s Trucking describe their collaboration to use federal pre-emption.

MARITIMES


RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

PEOPLE, POSITIONS, EVENTS

Rian Nemeroff, Mike Rennick, Roger Bergeron Marie Angelini, Bob Bentley, Charles Hunter

EDITORIAL

[No report.]

FROM THE PUBLISHER

This issue’s report on Pan Am’s Somerville customers marks the second of three on the railroad’s Boston cluster. Next issue will cover the Everett, Peabody, and Salem customers, completing the coverage.

- Chop Hardenbergh  Next issue 16 May.
REGIONAL

PW ANNUAL MEETING 2016

28 April, Worcester. THE 172ND ANNUAL MEETING OF THE RAILROAD ILLUMINATED ITS OPERATIONS. The report below is based on three sources: the 2015 Annual Report (page citations in braces); the presentation by President Scott Conti at the annual meeting and answers to questions from the floor during the Shareholder Assembly, as well as statements by Chair Bob Eder and Conti after the meeting.

Contents
A – Financials & carloads
B – Particular traffic
C – Infrastructure
D – Interchanges – percentages of use.

A. FINANCIALS & CARLOADS

A.1 Revenues increased 4.5%
 ‘Operating Revenues, exclusive of rental revenues, increased $1.5 million, or 4.5%, to $35.1 million in 2015 from $33.6 million in 2014. This increase is the net result of a $1.6 million (5.1%) increase in conventional freight revenues, a $147 thousand (17.7%) increase in other freight-related revenues, a $38 thousand (3.5%) increase in other operating revenues, and a $262 thousand (17.7%) decrease in container freight revenues.

A.2 Conventional carloads up 10.3% (2014 up 2.3%, 2013 up 8.4%)
 ‘The increase in conventional freight revenues is attributable to a 10.3% increase in traffic volume, offset by a 4.6% decrease in the average revenue received per carload. In 2015, the Company’s conventional carloads increased by 3,617 to 38,813 from 35,196 in 2014.

Autos and metals increase. ‘Shipments of automobiles and metal products during the year ended December 31, 2015 increased by approximately 1.9% and 1.6%, respectively, to 9.5% and 14.3%, respectively, of total conventional carload freight revenue from 7.6% and 12.7%, respectively, from 2014 while shipments of other commodities remained constant over prior year levels. The decrease in the average revenue received per conventional carload is due to a shift of the mix of commodities, the origin of the shipments, and decrease in fuel surcharge revenue. {II-4}

A.3 Containers down 15.9% (2014 up 8.7%)
‘The decrease in container freight revenues is mainly the result of a 15.9% decreased traffic volume. Container volume decreased by 3,292 containers to 17,422 in 2015 from 20,714 in 2014. The decrease in container traffic is primarily a result of more international freight being transloaded at the west coast ports to domestic containers.

A.4 Other revenues
‘The increase in other freight-related revenues results from an increase in revenue from demurrage, switching, and other freight-related services while the increase in other operating revenues reflects an increase in maintenance department billings for services rendered to freight customers and other outside parties.’

A.5 Expenses
‘Operating expenses increased by $2.0 million, or 6.4%, to $33.2 million in 2015 from $31.2 million in 2014. The increase in operating expenses in 2015 was attributable mainly to increases in payroll related expense ($349 thousand), casualties and insurance expense ($168 thousand), depreciation expense ($233 thousand), car hire expense ($573 thousand), track usage fees ($383 thousand), and other materials and supplies ($335 thousand). These increases were partially offset by decreases in diesel fuel ($291 thousand), purchased services ($332 thousand), repairs and maintenance of equipment ($271 thousand), and track and signal materials expense ($179 thousand).

‘The decrease in purchased services and in track and signal materials expense were attributable to projects performed by the Company’s Maintenance of Way department for various state agencies. The decrease

<table>
<thead>
<tr>
<th>PW EXPENSES 2015</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Years Ended December 31,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>(In thousands, except percentages)</td>
<td>(In thousands, except percentages)</td>
<td>(In thousands, except percentages)</td>
</tr>
<tr>
<td>Salaries, wages, payroll taxes and employee benefits</td>
<td>$ 16,212</td>
<td>46.2%</td>
</tr>
<tr>
<td>Casualties and insurance</td>
<td>1,569</td>
<td>4.5%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,689</td>
<td>10.5%</td>
</tr>
<tr>
<td>Diesel fuel</td>
<td>2,945</td>
<td>8.4%</td>
</tr>
<tr>
<td>Car hire, net</td>
<td>1,671</td>
<td>4.8%</td>
</tr>
<tr>
<td>Purchased services, including legal and professional fees</td>
<td>2,831</td>
<td>8.1%</td>
</tr>
<tr>
<td>Repair and maintenance of equipment</td>
<td>1,581</td>
<td>4.5%</td>
</tr>
<tr>
<td>Track and signal materials</td>
<td>1,045</td>
<td>3.0%</td>
</tr>
<tr>
<td>Track usage fees</td>
<td>1,563</td>
<td>4.4%</td>
</tr>
<tr>
<td>Other materials and supplies</td>
<td>1,899</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other</td>
<td>2,695</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37,700</td>
<td>107.5%</td>
</tr>
<tr>
<td>Less capitalized and recovered costs, including amounts relating to the Amtrak Agreement</td>
<td>4,489</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 33,211</td>
<td>94.7%</td>
</tr>
</tbody>
</table>
in recovered costs also relates to these same projects.

‘The Company utilized $418 and $801 thousand of the track usage fee offsets obtained via the Amtrak Agreement in 2015 and 2014, respectively. No credits remained outstanding as of December 31, 2015.’ {II.5}

Why did some expenses increase disproportionately? Asked during the Shareholder Assembly about the three large changes which accounted for the $2 million of expense increase, Conti responded:

- Car hire increased from $1.098 million to $1.671 million year over year. Autos were “much more significant”, and autoracks are costly. Also, the severe 2014-2015 winter slowed on-line moves. As well, a bridge outage in Connecticut stalled traffic for months.

- Track usage fees increased from $1.180 million to $1.563 million year over year. Through a 2012 agreement with Amtrak, PW had a credit of $2.571 million it was using up. {II-22} That credit ran out midway through 2015 so PW had to start paying the track usage fee out of pocket.

- Capitalized and recovered costs decreased from $5.496 million to $4.489 million year over year. Conti ascribed that change mostly to recovered costs – monies the state and other entities repaid to PW for PW’s supplying the materials to do track work for the state or others.

**A.6 Income (down) and operating ratio**

Nominal income from operations (operating revenue of $35.797 million minus operating expenses $33.211 million) increased to $2.586 million from $1.823 million in 2014. {II-11}

That would make the operating ratio (OR = operating expenses/operating income) 92.8%, barely higher than 2014’s 92.7%.

PW also presents an OR of 94.7% by subtracting recovered costs from operating expenses. {II-4}

**HOWEVER.** PW gets the figure of $35.797 million by adding property rents {II-3} into freight revenues.
Actual income from railroad operations, including maintenance for others, comes to only $35.080 million. Using that figure would increase the OR to 94.7%.

B. PARTICULAR TRAFFIC
While PW has 150 customers (up from 140 in 2013), the ‘Company’s ten (10) largest customers account for more than half of its operating revenues.’ {I-3}


Tilcon accounts for more than 10% of total revenues. {II-16}

B.1 Aggregates and the New York route
In his Letter to Stockholders, President Scott Conti wrote:

‘In my previous letter to you, I highlighted the fact that the Company received approval from Metro-North Commuter Railroad (“Metro-North”) to operate 286k rail cars on Metro-North’s New Haven Line. In 2015, the Company reached another critical milestone towards moving 286k rail traffic after it reached agreement with the National Railroad Passenger Corporation (“Amtrak”) to operate 286k rail cars on Amtrak’s rail system to New York City. The Company has already passed the benefits of this significant capacity achievement along to its customers, handling, for example, 286k hopper cars loaded with aggregates to New York City from points in Connecticut.’

At the meeting, Conti said both aggregate customers, “Plainfield [Rawson] and Reeds Gap [Tilcon], present an expansion opportunity, and we will operate additional trains as needed.” Now trains are 105 carloads, totalling 14,000 trailing tons. With 286k, PW will maintain the same tonnage but move the load with fewer cars. {I-3}

New aggregate location. O&G Industries is building a new siding in Milford, Connecticut [in the works for at least nine years – see 07#08B]. Conti wrote on 27 April: ‘Track is mostly complete and plowing stone and surfacing remains. There is an unloading structure under the track as part of the project.’ {e-mail to ANR&P}

B.2 Metals
Frank Rogers, vice-president for marketing, noted at the Shareholder Assembly that Gateway Terminals in New Haven has the deepest port on the East coast for unloading metals.

Metals now provide more than 14% of PW revenues.

B.3 Ethanol
‘The Company rehabilitated a substantial portion of its South Providence yard to facilitate handling unit trains of ethanol. This commodity is being transported by rail throughout the country and is a component of the gasoline mix available at gasoline service stations throughout southern New England. The commodity is also being transported via barge out of Providence to coastal terminals and to foreign markets via vessel. During 2015 and 2014, the Company moved 3,106 and 3,228 carloads of ethanol, respectively.’ {I-2}

At the meeting, Conti said that ethanol cars were strengthened, adding to their weight but not capacity, so “286k is becoming the new norm.”

Deepest port for export. Motiva has moved some ethanol to ships for export [see ‘0#03B]. Frank Rogers, vice-president for marketing, noted at the Shareholder Assembly that Providence is the “deepest port on the East coast for loading ethanol. It can accept ships with 330,000 to 340,000 barrel capacity.”

T One bit of Amtrak’s Shore Line is not 286k, near Westerly, Rhode Island. However, PW is not currently using that stretch, said Eder and Conti.
After the meeting, Conti noted that the many gateways [see section D] permitted PW to seek competitive rates for its shippers. For example, he noted, in 2015 ethanol moved to the Motiva terminal in South Providence via the Great Eastern Route and Willimantic. Thus far in 2016 the ethanol has moved via NS and Pan Am over Gardner.

B.4 Autos
[See other parts of article for record growth, more car hire.]

B.5 Ports

**Davisville.** Significant growth is generated by public and private investment. NORAD had its 6\(^{th}\) record year for autos [see 16#01A]. \{3\}

- The Crestwood propane facility [see 15#05A] may expand from five to seven car spots “this summer,” Conti told the Shareholder Assembly.\(^2\)

**New Haven.** ‘In 2015, the Company commenced with regular rail service to Waterfront Street located in the Port of New Haven. The primary commodities transported include steel products and biodiesel which moved outbound by rail from the waterfront [see 15#01A]. The Company expects business at the Port of New Haven to grow over time through future track connections, new on-dock rail facilities, and restoration of Belle Dock yard.’ \{4\}

Eder explained later that the state will pay to restore Belle Dock as part of the Q-bridge project. When that is restored, he anticipated that PW would use it as a classification yard.

Conti told the meeting that PW is serving the port three times a week “as the customer requires.” The track work across Waterfront Street [see 15#01A] is still not complete, and will be done only as the customer demands.”

He anticipated completion of the Belle Dock yard under the Q-bridge “this summer.”

**ProvPort.** Conti told the meeting that PW had moved “no coal since 2012 out of Providence,” but still handled limestone for Bow at the rate of “2-4 trains per year depending on the burn rate.”

B.6 Intermodal

‘While intermodal continues to be a leading revenue commodity, the Company observed a slight decrease in the number of containers handled compared with the previous year. Specifically, intermodal traffic decreased by 8% in 2015. Future improvements to the Panama Canal and other ocean routes, however, will not only necessitate changes in the operations of our connecting partners, but will also demand a renewed focus on alternative locations in New England to alleviate the expected increase in port congestion in New York.’ \{4\}

Asked during the Shareholder Assembly whether he expected any of the ports served by PW to handle containers, Conti said no. Even if containers arrived by barge from New York/New Jersey, moving them by rail to final destination would not prove cost-competitive.

B.7 Other traffic

**Propane.** Crestwood may expand from five to seven car spots at its terminal in Davisville.

**Pipe.** ‘The Company also handled natural gas pipe delivered to Plainfield, Connecticut for distribution to project

---

\(^2\) Asked about the report, Crestwood’s Andy Ronald wrote: ‘We are considering several forms of expansion. As soon as we get a clear path I will advise. Obviously we plan on growing our business in this region with a facility that best serves our customers and producers.’ {e-mail to *ANR&P 29 Apr. 16*}
sites throughout southern New England. The natural gas pipe is delivered in fifty-car unit trains [see photo] and will be used in an infrastructure investment project to provide a domestically-produced source of energy to support market demand, and future growth, in the Northeast.’ \{3\}

CPI. ‘Robert Eder, who owns a majority of the Company’s Preferred Shares, with his wife, also controls Capital Properties, Inc. (“CPI”) and its subsidiaries.

‘In May 2012 the Company and CPI entered into a License Agreement licensing to CPI track facilities which may be installed in connection with a railcar-loading/unloading facility on the Company’s right-of-way in East Providence, Rhode Island. The License Agreement continues through December 31, 2018, and is extended for additional three-year periods unless cancelled by CPI upon 30-days written notice prior to termination.’ \{II-20\}

Trinseo. This Gales Ferry manufacturer will close in spring 2016 [more in a future issue].

Greenwood Yard building. At the meeting, Conti said the former Mid-States Packaging and Distribution building [see 04#08B], which had rail service to at least two doors\(^3\), was torn down. Located in the Greenwood Yard in Worcester next to In-Transit Container, a private entity owned the former US Steel 650,000SF building. It will rebuild the 650,000SF with 300,000SF available for rail users. PW will work with interested customers to provide rail service to the new building.

B.8 Passenger
During the Shareholder Assembly, Conti answered a question about Boston Surface Railway’s proposed passenger service between Worcester and Providence. “We are formulating due diligence, working on time schedules. “Vin [Bono – see 14#11A] is working hard, renting space. There’s still time remaining before service would commence.” He declined to specify how much [see 15#05A].

C. INFRASTRUCTURE & OPERATIONS

C.1 Locomotives
‘The Company continues to reassess its motive power requirements based on current and future traffic projections and tonnage and capacity requirements. In 2015, the Company acquired two (2) SD70M-2 six-axle locomotives, formerly used by the Florida East Coast Railway, bringing its total motive power fleet to 32 locomotives, including five (5) leased six-axle units.

‘Upon completion of locomotive commissioning, installation of specialized equipment, and clearance work, both of these six-axle units (numbered 4301 and 4302) will be able to operate as lead units on the Northeast Corridor. The Company’s fleet of six-axle units has improved service and train operations by reducing the number of locomotives needed to operate large unit trains in interchange (including aggregate unit trains to New York City and autoracks to Davisville, RI). \{4\}

C.2 Longer trains, longer spurs
Before the meeting, Conti said the railroad is making efforts to reduce expenses by changes in operations: running longer trains and working with shippers to increase their car spots so PW will need to switch them less.

C.3 IRAP in Worcester Yard
This work on the wye track [see 15#07B] will begin later in 2016.

C.4 Norwich Branch
‘The Company anticipates completing work on its Norwich Branch between the Massachusetts/Connecticut

\(^3\) Dan Bigda proposed building a railcar manufacturing facility there, but the idea went nowhere. See 14#04B.
State Line to Plainfield, CT this summer utilizing funding awarded through the State of Connecticut’s Rail Freight Infrastructure Program [see 15#09B]. The Company elected to expand the scope of work for this project, utilizing capital generated from the Company’s cash flow, to include the entire Norwich Branch from Worcester, MA to Groton, CT and expects to complete the project in 2016.’ {5}

Later in an e-mail, Conti wrote: ‘The Norwich Branch rehab [entire from Worcester to Groton] will continue starting in May. The CT portion north of Plainfield was part of the RFIP program, south of Plainfield is part of our [capital expenditures] work.’ {to ANR&P 27.Apr.16}

C.5 Cedar Hill Yard
‘The Company owns and operates three principal classification yards located in Worcester, Massachusetts, Cumberland, Rhode Island and Plainfield, Connecticut and also operates a classification yard in New Haven, Connecticut.’{I-5}

After the meeting, Conti said that PW currently has use of one CSXT track, Track 5, in the yard. PW will construct and maintain, with appropriate assurances from CSXT about its use, a 5100-foot new Track 7. This will aid in assembling the aggregate trains for New York.

Eder recalled that because of limited space at Cedar Hill, PW operations sometimes interfere with Amtrak, mentioning a derailment a few years ago. “The FRA would like us” to clear off the Northeast Corridor and the new track will assist with that.

C.6 Main line 286k
‘The Company also made significant progress towards achieving 286k capacity on its Main Line between Worcester, MA and Providence, RI. Specifically, the Company completed extensive rehabilitation work on four of five large bridge structures in 2015, with the final bridge structure, located at MP 35.29 in Sutton, MA, scheduled for replacement in the coming months.’ {4}

At the meeting Conti predicted completion of the “Sutton Bridge work by 8 May. That will give us complete 286k for Rhode Island to maintain our market share.”

C.7 Gardner branch
PW is filing a grant application for TIGER VIII, the federal competitive transportation grant program for which applications are due on 29 April. PW seeks funds to upgrade the Gardner branch rail, Conti told the Shareholder Assembly.

C.8 Available industrial land
The demise of the effort to open a propane terminal by Global in Clinton, Connecticut [see 15#12B] due to NIMBYs pointed to a general issue of land needed for industrial customers. Eder and Conti said after the meeting that “not enough exists near big cities.” They pointed to the Slatersville Branch running off the main line in Rhode Island [see Denman & Davis closing 13#01A], where significant land exists after the departure of customers, as a possible site.

They also noted that the Quonset Business Park welcomes new industry: the permitting for Crestwood’s planned adding of two spots took only 90 days.

Conti pointed out that the Port of New Haven has about 80 acres of vacant land off Alabama Street.

D. INTERCHANGES – PERCENTAGES
PW ‘interchanges freight traffic with [CSXT] at Worcester … and New Haven …; with Pan Am Railways at Worcester …; with Pan Am Southern and [NS] via PAS at Gardner, Massachusetts; with NECR at New London and Willimantic …;with CN via the Great Eastern Route [Worcester-Willimantic (NECR)-East Alburg Vermont]; and with CP via the Great Eastern Route [Worcester-Willimantic (NECR)-Bellows Falls(VRS)-Whitehall, NY]; with CSO at Hartford …; and with [NYA] at Fresh Pond ….’ {page I-2}

At the meeting, Conti in response to a question said PW exchanges 52% of its traffic with CSXT; 24%
with NS/Pan Am; and the rest with CN, CP, NECR, and NYA.

After the meeting, Conti noted that the many gateways permitted PW to seek competitive rates for its shippers. For example, he noted, in 2015 ethanol moved to the Motiva terminal in South Providence via the Great Eastern Route and Willimantic. Thus far in 2016 the ethanol has moved via Pan Am over Gardner.

**Great Eastern Route**

‘Through its New London and Willimantic interchanges with the New England Central Railroad (“NECR”), P&W interchanges traffic with the Canadian National Railway (“CN”) and the Canadian Pacific Railway (“CP”). With the Company’s reactivation of the Willimantic interchange in late 2007 and rehabilitation in 2011, across a route with improved overhead clearances to NECR, the Willimantic Branch became the primary interchange route to NECR.

‘In February 2012, the Company and NECR entered into a strategic alliance establishing service across the “Great Eastern Route.” The Great Eastern Route furnishes the Company with pricing authority for service with CN, through a haulage arrangement by which NECR provides haulage for the Company between East Alburg, VT and Willimantic, CT on certain contractually-agreed commodities.’

‘In June 2014, the Company, NECR and Vermont Rail Systems (“VRS”) entered into a strategic alliance to expand the Great Eastern Route. The inclusion of the VRS furnishes the Company with pricing authority for service with CP, through a haulage arrangement by which VRS and NECR provide haulage for the Company between Whitehall, NY and Willimantic, CT on certain contractually-agreed commodities.’

Why not on all commodities? Asked why the Great Eastern Route did not provide haulage for all commodities (rather than having intervening railroads become part of the billing), Eder and Conti said the other railroads did not want to, or PW had not asked about other commodities. \footnote{ANR&P\textsuperscript{1} coverage of Annual Meeting and Shareholder Assembly; \textit{ANR&P} in-person discussion with Conti and Eder; text of \textit{Annual Report} 2015}

**NECR v PAN AM: TRACKAGE FEES**

14 April, DC. \textit{NHDOT FILED A LETTER ASKING FOR A FEE LOWER THAN SIX DOLLARS A TRACK MILE} in the STB case in which NECR is seeking an increase in track access fees from the current forty-five cents a mile \footnote{see 16#02A}. Commissioner Victoria Sheehan wrote:

On behalf of the State of New Hampshire, I write to address the issue of fair rates for New Hampshire shippers who rely on the freight services provided by Pan Am Southern LLC (PAS), using trackage rights over the New England Central Railroad, Inc. (NECR).

Pan Am Southern LLC operates on the Connecticut River Line between East Northfield, MA and White River Junction, VT via trackage rights over NECR. Those trackage rights were granted to a predecessor of PAS as part of an eminent domain taking of the rail line by Amtrak.

**Reference to Plains propane terminal**

The trackage rights order by the then Interstate Commerce Committee (ICC) allows PAS to compete with NECR to serve certain customers on the line, including a propane distribution facility located in Claremont, NH \footnote{Plains LPG – see map in 16#03B}. This was a unique provision in that it allowed customers access to rail service from two rail carriers on the same line. In 2013, PAS was able to successfully compete for the ability to serve the Claremont, NH propane facility by offering service and pricing incentives.

NECR is now seeking to have the STB impose new terms and conditions for the use of the trackage rights by NECR. As part of NECR’s proposal, the trackage rights fee would be increased from approximately 45 cents per car mile to approximately six dollars per car mile. A significant part of NECR’s justification of the proposed increase is that the value of the line is substantial. NECR is relying on a $60 million public investment to support that line valuation.

Should NECR prevail in its effort to substantially increase the trackage rights fees, PAS could not effectively compete for customers on the line. That would deprive those customers of the competitive option imposed by the ICC in the Amtrak taking case. The lack of competition would likely lead to increased transportation costs ...’ \footnote{filing in STB Docket No. FD 35842}
THE DEMISE OF CRUDE BY RAIL?*

HOW THE COST OF LEASING A CRUDE OIL TANK CAR HAS FALLEN. $/month. {Sandy Fielden in RBN Energy 24.Apr.16}

![Graph showing the decline in rail tank car lease rates](image)

CONNECTICUT

NAUG: C&D IN JUNE?

27 April, Watertown. TRACK WORK IS NEARLY COMPLETE FOR THE FROST BRIDGE CONSTRUCTION AND DEMOLITION FACILITY HERE [see 16#03B] Projected start up is June 2016. The track is finished except inside the building, and the switch stand on the main line.

Pan Am interchange

NAUG will use the leased locomotive from TBRX to serve Frost Bridge, interchanging at Highland Junction in Waterbury with Pan Am. The latter’s train PL1 delivered the TBRX power. {e-mail to ANR&P from Bill Sample}

Watertown, look south at Frost Bridge C&D building 27 April. {courtesy Bill Sample}
Thomaston, Connecticut. At the NAUG/Railroad Museum of New England shop, NAUG’s newly-leased TBRX 8537, a B39-8 built by General Electric in 1987 for the LMX lease fleet that operated on the Burlington Northern. It is now leased to the NAUG; owner Taconic & Berkshire Rail Technologies will upgrade the locomotive’s operating performance. (e-mail and photo from Bill Sample 27.Apr.16)

Watertown, look north at Frost Bridge C&D building 27 April. (courtesy Bill Sample) The building under construction will serve as a layover facility for a regional bus service. Editor
MAINE

MAINE IRAP: WINNERS SOON*
22 April, Augusta. APPLICANTS FOR THE 2016 INDUSTRIAL RAIL ACCESS PROGRAM SEEK MORE MONEY THAN AVAILABLE, said Nate Moulton, the MDOT rail program director. He added that the winners will be announced ‘probably in the next two weeks.’ {e-mail to ANR&P}

PAN AM: MORE PAPER TRAFFIC?*
19 April, Rumford. CATALYST PAPER RESTARTED PAPER MACHINE NO. 12 this day, which it had shut in May 2015 when it had making coated paper.

Mill spokesperson Tony Lyons said, “We’re trying to develop more options, away from commodity grades.” It is making Rumford Offset for use in marketing materials, coated on one side, in 50-, 60- and 70-pound weights.

When the company idled the machine last year, it reduced production of printing and writing paper by 88,000 tons per year. The Rumford mill annually produces about 260,000 tons of coated freesheet paper, about 170,000 tons of coated groundwood and about 52,000 tons of the specialty coated one-sided paper. The mill also produces market pulp.

After Catalyst bought the mill in January 2015, it invested more than $9 million to upgrade the mill’s boiler, part of a plan to have the mill sell excess electricity during winter months, according to Catalyst’s 2015 annual report. {staff in Portland Press Herald 19.Apr.16}

EASTPORT: SALT COMING
18 April. THE PORT AUTHORITY BOARD HEARD THAT THE FIRST SALT SHIP WILL ARRIVE IN JULY OR POSSIBLY SOONER. Director Chris Gardner said Costigan Chip will be paying $5000 for its lease of the bulk storage yard for the remaining nine months of the year. Costigan is subleasing part of the yard for salt storage [see 16#04A].

The bulk conveyor will move the salt to the yard, as its maiden use. The power for the conveyor will come from three generators [see 16#02A] but one needs repair. Emera Maine, the network electrical supplier, has agreed not to charge its $14,000 fee for the first ship to use the conveyor.

Ship calls
At Bayside, the Prince of Waves unloaded pollock from Alaska on 7 April. The Autumn Wind did the same on 19 April.

No ship has called Eastport since 5 April [see 16#04A]. {Edward French in Quoddy Tides 27.Apr.16}

MASSACHUSETTS

PAN AM-BOSTON CUSTOMERS ++

SERVICE AND SOMERVILLE

History
In its heyday, Pan Am predecessor the Boston & Maine Corporation (B&M) operated both freight and passenger service over a web of lines out of North Station, Boston much more dense than that shown in the Pan Am map.

Around Somerville, B&M had several yards, and lines running to the water not only to Mystic Wharf but also to the wharves where the USS Constitution is now docked [see 1999 map].
Now the MBTA owns nearly all trackage shown in the current map, as well as many spurs and sidings.

**Pan Am operations in Somerville**

Nevertheless, Pan Am retains the right to enter and exit Somerville via four different lines. It uses a small yard in Somerville to serve three customers, and serves a fourth, Boston Sand & Gravel, directly.

The yard is also used to switch cars for two customers in Everett (Ciment Quebec and Schnitzer scrap), and two on the Rockport line (Rousselot and Univar).

Pan Am serves the Boston area from Lawrence over the Lowell Line, via The Wildcat.

**Pan Am trains**

Generally, Pan Am assigns the following locals the following duties, but duties may (and do) change at any time. “LA” indicates the crew, and often the power, originates in Lawrence.

**LA-1.** The crew can be cabbed or come to Somerville. For example, they moved 39 cars from Somerville to Lowell on 3 March. They also can work Woburn/Montvale in a pinch.

**LA-2.** This Lawrence to Somerville local works Woburn and Montvale too. For example, on 3 March LA-2 left Lawrence with twelve cars, dropping four in Montvale and delivering eight cars to Somerville.

**LA-3.** This local works around Lowell and Billerica Shops. For example, on 25 February LA-3 took 16 cars to Billerica Shops, then took 39 empties to Lowell.

---

**Pan Am customer areas.** For Somerville, see this issue. For Fletcher quarry and W-W-W area, see 16#04A. For Billerica Shop customers, see 16#03B.
LA-4. The power for this local is based in Somerville; it serves Everett, Univar in Salem, and Rousselot in Peabody. The power often outlaws in Salem or Peabody; the next crew is cabbed to the train wherever it ends up. For example, on 3 March, LA-4 with MEC 506 started out of Northey Point in Salem with 5 cars from Rousselot, dropped one at Univar, and brought the remaining four to Somerville.

LA-5/10. These apparently are extra crews working the days off of the above trains or other duties as assigned. For example on 3 March LA-5 took nine cars from Somerville to Salem. On 4 March LA-5 took one load to Everett, and brought 14 empties back. On 6 March, LA-10 moved four loads from Billerica Shops to the B&B branch.

Green Line expansion

According to plans, the Green Line extension could take all of remaining Yard 8, or all of the area around MS Walker, or much of the land south of the Boston Engine Terminal [see map 10#05B]. Work on the extension is now suspended due to immense cost overruns, and the entire project is jeopardized.

1. BOSTON SAND AND GRAVEL

A train from Ossipee Sand and Gravel is run by NHN to Rollinsford for interchange to Pan Am, which runs it as DOBO (Dover-Boston) through Somerville to the Boston Sand and Gravel (owned by the same company) terminal. On many nights Pan Am operates the backhaul (BODO) as well, with empty cars.

According to the Boston Report, the train in 2016 carries roughly 20 cars per trip. For example, on 21 April, the Report stated: ‘PAR BODO back to Dover last night with 16 cars via Reading. PAR DOBO coming to town with 24 loads.’ {GuilfordRailSightings 21.Apr.16}

Total carloads
Taking 20 cars per train, and assuming it runs 200 days a year, Boston Sand accounts for 4000 carloads.

1.2 MS WALKER

According to its website:
M. S. Walker brands is one of the largest producers in the North East market, producing over 1.3 million cases annually and selling nearly 150 brands across 42 states. In addition to an ever-expanding catalog of brands produced on-site at our Somerville distillery, M.S. Walker also acts as the exclusive importer and distributor for several National Agency Brands and imports a portfolio of fine wines under its Grapevine Imports label. M.S. Walker is also commissioned by national accounts to create private label products for use on- and off-premise.

Planned extension of the Boston trolley Green Line could, if it occurs\(^\text{4}\), take much of the Willey track and the MS Walker site. Partly in consequence, MS Walker is moving to the Dedham-Boston line and will use CSXT [see 15#04A].

Details
Scott Allen, an official at MS Walker\(^\text{5}\), wrote on 25 April: ‘We are still on time with our [moving] project.

---

\(^{4}\)A massive cost overrun has halted work for the time being. *Editor*

\(^{5}\)And descendant of founder Maurice S Walker, per the website. The company bought 15 spirit brands from White Rock Distilleries in 2011, and owns the SS Pierce brand. It makes SS Pierce Vodka – per a Wikipedia post, ‘notorious among American college students for its relative low price. At around $12 USD for a handle (1.75 L), it is one of the cheapest available vodkas on the market. It is also known for its ability to cure any heartburn-related ailments.’
Completion date is 4th quarter 2016. We will start commissioning our equipment and processes 4th quarter 2016. We will move out of Somerville into Dedham (for our manufacturing) no later than end of 1st quarter 2017.’

He estimated the company brings in 100 to 200 carloads of distilled alcohol per year, ‘depending on the volume of business.’ {e-mail to ANR&P}

1.3 BOSTON PAPER BOARD
An official at this manufacturer of cardboard on 14 March said “we used to use [rail] a lot [see 12#05A],” but now truck is cheaper out of “mills up in Canada. Maybe we used rail once last year.” {ANR&P discussion}

1.4 KEOLIS
Pan Am moves coaches and engines for Keolis, the private firm which operates the MBTA commuter rail service. Recent traffic includes 11 loads of scrap ties Keolis interchanged to Pan Am at Lawrence in early April, a mix of sidedump cars and gondolas to move to Mattawamkeag.

Also, since 2014, Pan Am (with NS) has moved MBTA Kawasaki coaches to Alstom in Hornell, New York and return, for their first major overhaul. About 77 coaches have gone; another 33 coaches await overhaul.

Recently, new MBTA locomotives arrived in part via Pan Am, and the railroad moved two recently to General Electric in Erie for warranty repairs. {e-mail to ANR&P from colleague 28.Apr.16}

[Estimate of 300 units per year. Editor]
NEW HAMPSHIRE

PAN AM: MORE ON DIRTY DIRT

19 April, Milford. REMEDIATION OF CONTAMINATION AT FLETCHER’S PAINT SITES IS STILL SUSPENDED AT MILL STREET, wrote Drew Hoffman of the New Hampshire Department of Environmental Services, Waste Management Division, Hazardous Waste Remediation Bureau ‘due to PCB emissions above the site action level. EPA and DES are continuing to evaluate the effectiveness of engineering controls being implemented.’ {e-mail to ANR&P 19.Apr.16}

Monthly reports and removal of soils

Hoffman pointed to a NHDES website which contains monthly reports on the remediation. According to the Final Remediation Plan of October 2015, page 521, the following must be removed:

<table>
<thead>
<tr>
<th>Material</th>
<th>Elm Street cubic yards</th>
<th>Mill Street cubic yards</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSCA</td>
<td>20,070</td>
<td>6,915</td>
</tr>
<tr>
<td>Non-TSCA</td>
<td>1,160</td>
<td>2,030</td>
</tr>
</tbody>
</table>

Non-TSCA [= Toxic Substances Control Act] materials, per the Final Remediation Plan of October 2015 go to the Waste Management turn-key landfill in Rochester, New Hampshire. {text of plan} TSCA materials go to Indiana.

February 2016. Elm Street: loaded 30 intermodal containers of TSCA soils (including Elm Street Area TSCA pile and USTs) and 6 trailers of non-TSCA soils (includes Elm Street Area non-TSCA pile).

March 2016. 41 loads (approximately 902 tons) of TSCA materials were sent to the Heritage disposal facility in Roachdale, Indiana. {text of Monthly Reports

---

VERMONT

VRS: PRE-EMPTION BATTLE GOES ON

27 April, Burlington. FEDERAL JUDGE WILLIAM SESSIONS HEARD EVIDENCE MOTIONS PRIOR TO A FORMAL HEARING BEGINNING 3 MAY. He denied all three made by the Town of Shelburne: Emergency Motion to Compel Production of Documents of VRS; Emergency Motion to Compel Production of Documents of Scott Barrett, Joseph Barrett, and Brian Barrett; and Motion for Contempt of Court. The denial was ‘subject to representations made by Court as to what documents shall be turned over.’

A hearing on Shelburne’s motion for a preliminary injunction will occur 3-5 May. {court website 2:16-cv-16

Comments

In seeking e-mails and other records from Barrett Trucking and VRS, Shelburne attorney Claudine Safar argued that the salt storage facility is largely a Barrett Trucking project, noting the company has contributed $370,000 to the project so far, some of which paid for engineering and environmental studies. It is thus not a railroad project and should not be eligible for pre-emption.

Carl Lisman, a lawyer for Barrett Trucking, acknowledged that the firm needs to purchase a new facility, to shield taxes from selling the current salt site on Flynn Avenue in Burlington [see 16#02B]. When Barrett was unable to secure financing for the Shelburne land, it turned to VRS for help, and as a result, his clients have a “hand-in-glove arrangement” with Vermont Railways.

Attorneys for the partners in the project stated in a court filing: ‘From the early days of this project, in late spring/early summer 2015, the Railroad and Barrett worked closely together to solve commercial, logistical, and legal problems.’

In a deposition, Joe Barrett, one of the firm’s owners, stated: “Barrett and the Railroad had a common understanding that the transaction and the project had to be structured so as to fall within the scope of ICCTA preemption.” Lisman argued the 10 years’ of e-mails Safar wanted was irrelevant, and that Barrett had deleted most of the e-mails.

Judge Sessions said at the hearing 27 April Barrett Trucking and Vermont Railway worked closely together “so the town would be unable to stop it.” Nonetheless, he made no value judgment about the two companies’

---

6 Presumably Barrett could use the IRS exemption from capital gains tax if the seller buys a “like kind” property with the proceeds of the sale.

Editor
cooperation.

**Old salt shed**
Workers with Williston-based Environmental Hazards Management Inc. are dismantling the rail-side salt shed at Briggs Street and Flynn Avenue in Burlington. Construction at the site of a new City Market/Onion River Coop is expected later in 2016.

**March**
Shelburne residents and the Vermont United group [see graphic] held a march and rally 1 May calling for construction of the facility to be halted. {Morgan True in Vtdigger.com 28.Apr.16; Joel Banner Baird in Burlington Free Press 18.Apr.16}

---

**MARITIMES**

**GRANITE MOVE IN NOVA SCOTIA**

26 April. **NOVA SCOTIA MINISTER OF ENVIRONMENT MARGARET MILLER APPROVED THE BLACK POINT QUARRY PROJECT**, proposed by Black Point Aggregates Inc., a wholly-owned subsidiary of Vulcan Materials Company.⁷

The project proposes the construction, operation, decommissioning, and abandonment of a granite quarry at Black Point in Guysborough County, Nova Scotia, and the construction and operation of a 200 metre-long marine terminal and load-out facility, adjacent to the quarry, in Chedabucto Bay. Construction is anticipated to commence in 2018. The quarry is expected to have a production capacity of up to 7.5 million tonnes of granite per year, over a mine life of approximately 50 years. {statement from Miller}

---

⁷ Vulcan once held an interest in the Bayside, New Brunswick aggregate facility. See 11#01A.
Municipal Ready-Mix. March 2015 I saved that.

2.0 PROJECT OVERVIEW: rock headed to US East and Gulf coasts

The Black Point Quarry Project property has a total surface area of 354.5 ha of which the finished quarry will occupy approximately 180 ha while the processing plant, administration and stockpile areas together will occupy approximately 28 ha. Rock reserves in the proposed quarry are estimated at more than 400 million metric tonnes (MT).

Rock will be quarried using industry standard drilling and blasting procedures from the granite reserve creating a quarry pit that will expand in depth and size over the 50+ year lifetime of the mine. As mining progresses a series of rock benches will be created in the quarry pit for safety reasons. Quarried rock will be crushed, screened, washed and stockpiled on site, then offloaded via a deep water marine terminal into Panamax-sized bulk carrier ships for transport to markets along the eastern and Gulf coast markets of the United States.

The anticipated average annual production rate will exceed 1.0 MT with a peak production rate of 7.5 MT per year, which is roughly 5.0 MT of product sales should market conditions support that sales volume. The Project is anticipated to have capital costs on the order of US$80-$110 million and will be a significant employer in Guysborough County throughout its expected 50+ year lifespan. No public funding is currently being sought for this Project.

In the U.S. market, the majority (80% or more) of aggregates are transported by truck from the quarry to the consumer. This form of transport is expensive and limits the typical aggregate operation to a market radius of about 80 km from the quarry. The southeastern U.S. aggregate market is a prime target for bulk vessel transported aggregate due in part to the geologic absence of suitable aggregate resources in coastal areas.

The revenue generated from the Project will provide economic benefit to the people and governments of Guysborough County and Nova Scotia through direct and indirect employment, royalties and taxes paid, dollars invested into goods and services directly by the Project Proponent, and indirect dollars that will go into local businesses and services from employees and contractors working on the Project and at the quarry. (SLR 4 Vulcan Materials Company and Morien Resources Corp. SLR Project No.: 210.05913.00000 Black Point Quarry Environmental Impact Statement February 2015)

RAIL FREIGHT FACILITIES

Described in this issue.
Barrett (VRS, Vermont) Pre-emption battle.
Boston Paper (Pan Am, Massachusetts) Carloads.
Boston Sand (Pan Am, Massachusetts) Carloads.
Catalyst (Pan Am, Maine) Paper machine restart.
Crestwood (PW, Rhode Island – see Regional) Propane
Frost Bridge (NAUG, Connecticut) June start?
Gateway (PW, Connecticut – see Regional) Metals
Keolis (Pan Am, Massachusetts) Carloads.
MS Walker (Pan Am, Massachusetts) Carloads.
NORAD (PW, Connecticut – see Regional) Autos
Rawson (PW, Connecticut – see Regional)
Renewable Products (PW, Rhode Island – see Regional) Ethanol

PEOPLE, EVENTS

With the departure of Rian Nemeroff for the Reading & Northern Railroad, the Massachusetts Railroad Association has lost all but one of a dynamic group. Mike Rennicke, former PVRR general manager, who is leaving Massachusetts for Florida, said the group 'resulted in some significant victories and defensive moves against our wonderful state regulators.

‘Roger Bergeron of Pan Am, Marie Angelini of PW and I were pretty much the spokespeople of the group. Occasionally Bob Bentley and Rian would fill in the choir. Roger was the all knowing encyclopedia of
Federal Regulations, Marie was the calming professional face of legality. I was the mouthy, red-in-the-face GM who threw the stones. All of us have now moved on, though the Association still has Charles Hunter and his wealth of experience working in multiple states with Genesee & Wyoming.

‘Leaving your fine periodical is a difficult and bittersweet decision. While I thoroughly enjoy the great coverage of an industry that I love, I am simultaneously stricken with a sense of sadness as I read the Atlantic Northeast Rails & Ports that I no longer have the platform or colleagues supporting me to carry on the quest.’

{e-mail to ANR&P 3.May.16}