*Article unchanged from e-bulletin.  
++Blue type in article: changes from e-bulletin.

Blue header & table of contents: new article

REGIONAL

CSXT: What effect does the 'Network of Tomorrow' have on New England?  
++

New salt companies: Four companies began offering off-shore salt in 2015-2016: Champion, New England, Saltine Warrior, and Mid-American.*

Coal: While natural gas prices have risen, they are not high enough to induce burning of coal, in the Northeast.*

NEW YORK

[No report.]

QUÉBEC

MMA-CP: Lac Megantic will not take legal action against CP for the 2013 tragedy.*

CONNECTICUT

Pan Am – ConnDOT: Study shows Waterbury Branch passenger not viable. Track needs at least $140M?  
++

MAINE


Pan Am: NGL moves out of Yard 8 in Portland. Its cars supply propane to DCP and Sea-3 for NGL pickup.*

Pan Am: Moves ground ties from Mattawamkeag to Rumford.*

SLR: Cascades Auburn Fiber will close, one of seven paper mills in recent years. Map.*

MASSACHUSETTS

Fall River: Saltine Warrior will land off-shore salt here for distribution in southeast Massachusetts.*

NEW HAMPSHIRE

New Hampshire salt: Bids not out yet.*

RHODE ISLAND

PW: Boston Surface Railway files at the STB to operate passenger service between Providence & Worcester.*

VERMONT

Vermont salt: American Rock provides 3% price drop; Cargill holds price steady. Map of prices.*

MARITIMES

Gypsum: Little Narrows gypsum mine will not open for this season.*

Gypsum: Map of Nova Scotia gypsum locations.

Saint John: MSC rotation adding Mexican call, but no autos coming.

RAIL SHIPPERS/RECEIVERS

A cross-reference to companies mentioned here.

EDITORIAL

Giobbie sees CSXT staying in New England.

FROM THE PUBLISHER


- Chop Hardenbergh Next formal issue 15 July.

CSXT: NETWORK OF TOMORROW, WHAT EFFECT ON NEW ENGLAND?

Note. This article initiates a series on CSXT operations Selkirk east.

May. **AS CSXT ROLLS OUT THE ‘NETWORK OF TOMORROW’, NEW ENGLAND FALLS INTO THE ‘FEEDER NETWORK’**. Some observers believe CSXT will eventually sell off the feeder network, especially the CSXT lines east of Framingham, while others say that the ‘feeder’ designation and a move of crew-starts to Selkirk is only a response to the downturn in traffic.

**THE NETWORK OF TOMORROW**

A description of the core and feeder networks

As late as 13 April during a call with analysts about 1Q16 results, Cindy Sanborn, chief operating officer, did not mention the core-feeder network concept. On 4 May, in an article in a Trains bulletin, she did:

‘After studying our network and traffic flows from every perspective, we determined that we could operate more efficiently by thinking in terms of two networks — a core network and feeder lines, each with roughly the same route mileage. The core network is essentially a triangle formed by three high-density, high-velocity corridors connecting Chicago, Jacksonville and New York. The feeder lines consist of territories that don’t require the same speeds and resource intensity, but do require the same level of safety and customer service.

‘By investing more capital on the core network, we can shift additional traffic into those corridors, which support longer trains and higher speeds. You might think of it as the railroad equivalent of superhighways. In general, the feeder routes will be classified for lower speeds, and trains that benefit from higher velocity will be directed over the core network. So we’re reallocating our capital dollars and using our resources more efficiently.’

‘When we explain how the Network of Tomorrow will support improved service, our customers are generally supportive of the strategy. Their concern, naturally, is that we maintain our service reliability on the feeder lines. And we’re right in step with them on that. Service and safety were our top priorities when we evaluated the concept. We cannot and will not compromise on either one of those imperatives. The bottom line is that by significantly improving capacity and velocity on the core network, capacity increases on the feeder lines. We’re achieving a net service improvement for all customers, no matter the origin or destination.’
Focus on intermodal and merchandise

‘We have already started with the first feeder line between Waycross, Georgia, and Montgomery, Alabama, known as the Bow Line. In addition, we have identified trains currently traveling on the feeder lines that will move over to core corridors, and we’re making the service design changes.

#2 New England not shown on hub and spoke.

Network leverages secular Intermodal growth

#3 New England remains part of intermodal network, with 2 terminals (West Springfield and Worcester).
A necessary to support new traffic flows. As the changes take place, it’s important for all employees who have contact with customers to help them understand how the Network of Tomorrow supports service reliability and efficient use of assets — theirs as well as ours.

‘CSX of Tomorrow: a safe, highly automated, resource-efficient railroad that’s focused on capturing the tremendous growth opportunities in service-sensitive intermodal and merchandise markets.’ {Trains 4-May.16 as reproduced trainorders.com 5-May.16}

NEW ENGLAND AS FEEDER
The three slides show: First, New England is a feeder line to the core. Second, New England is not part of a hub and spoke system for merchandise. Third, New England remains part of the intermodal network. Editor

See Editorial for firm statement that CSXT will remain in New England.

PW – NS – PAN AM: COAL FUTURE ++
24 June. DOES THE RISE IN NATURAL GAS PRICE PORTEND A SWITCH BACK TO COAL? Over the past 20-some days, U.S. natural gas prices have gone from being the lowest in more than a decade to very close to last year's levels. The July 2016 natural gas futures contract settled at $2.698/MMBtu, up about 70 cents (36%) from where the June contract expired ($1.963/MMBtu on May 26). Market buying to unwind short positions initially kick-started the rally, but since then hot weather and a boost in power demand has kept the rally going.

Market conditions have been practically made-to-order for the oversupplied gas market, and have led to record power burn in June to date. The recent gains have catapulted natural gas prices well above prices for coal on a cost-per-MMBtu basis, making the latter fuel more economically competitive in the power generation sector. That's welcome news for some coal producers. {'What's Going On? - The Natural Gas Rally, Coal-Gas Competition and Power Burn’, Sheetal Nasta in RBN Energy 24-June.16}

Not for the Northeast
A source close to the energy market wrote: ‘That may be good news for some Southern utilities but here in the Northeast the coal plants need $4.00 to $5.00 gas prices.’ {e-mail to ANR&P}

FOUR NEW REGIONAL SALT SUPPLIERS*
In the past year, four new salt importers are competing with traditional suppliers in New England.

MID-AMERICAN SALT
This company uses Providence to land salt from Morocco. [See 15#12A.]

NEW ENGLAND SALT COMPANY
This company landed salt in Searsport in 2015, and in both Searsport and Eastport in 2016. It is considering bidding on New Brunswick provincial salt contracts [see 16#06A], but not using rail [see Maine].

NESCO imported this year’s salt from Morocco.

SALTINE WARRIOR
This company landed some 2015-2016 municipal contracts in southeast Massachusetts, receiving salt through New London from overseas suppliers [see 16#03B] and more for 2016-2017 [see Massachusetts].

CHAMPION SALT
This company has supplied road salt for 25 to 30 years in the Detroit area [see box on 2015 bids]. It recently expanded to the East coast after the tough 2014-2015 winter, said Tonya Christian, the manager of Champion’s Everett facility. Its ‘Boston Salt Depot’ started there with two customers.
The first ship arrived in January at the Schnitzer pier, and salt is stored adjacent to Ciment Quebec [see map in 16#05A]. A second ship was loading offshore on 17 June, per the company’s Facebook page.

**Inland contracts**

Christian would be “thrilled to do business inland” and “logistics with the railroad would be great.” She has spoken with Judy Page, director of marketing and sales at Pan Am. She has also spoken with Joe Barrett of Barrett Trucking, the major Vermont salt terminal operator [see 16#04B].

<table>
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<tr>
<th>Location</th>
<th>Morton Salt, Inc.</th>
<th>Champion Salt</th>
<th>Detroit Salt Co.</th>
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Staff recommends awarding the Salt bid for Early Fill to Compass Minerals America Inc.

**CHAMPION SALT BIDS IN MICHIGAN.**


**Bidding against other companies**

“We don’t want to take over, just fill the gaps,” said Christian. “This area is a different beast” from the Midwest, because the states want bids in early. {ANR&P discussion 20.May.16}

**QUEBEC**

**MMA-CP: NO LEGAL ACTION v CP***

21 June, Lac Megantic. THE TOWN COUNCIL OF LAC-MÉGANTIC HAS ADOPTED A RESOLUTION TO NOT TAKE LEGAL ACTION AGAINST CANADIAN PACIFIC RAILWAY for the 2013 train disaster that killed 47 people. In a statement released by the Town after the meeting, Mayor Jean-Guy Cloutier said: ‘We would be obligated to take on considerable fees for experts over several years. We have absolutely no guarantee that we will receive reparations.’

The burden of a lawsuit cannot fall on the shoulders of Lac-Mégantic residents, Cloutier said. {CBC News 21.June.16}

CP did not accept inclusion in the class-action settlement in 2015 [see 15#09B]. Nevertheless, the victims fund is fully funded [see 16#01B].
CONNDOT: NO PASSENGERS FOR PAN AM ++

15-16 June, Berlin-Bristol. **PASSENGER SERVICE BETWEEN WATERBURY AND BERLIN WOULD COST TOO MUCH – AND EVEN FREIGHT HAS A HIGH PRICE**, according to studies by consultant AECOM for ConnDOT. According to a powerpoint presentation at these two towns:

**Condition**
The study found track in ‘poor’ condition [see photo], with ‘many sections limited to 10mph’. [In fact, the entire branch is limited to 10 miles per hour by the Pan Am Timetable 1 January 2016 edition.]

**Freight need.** To bring it to 25 miles per hour would cost $140 million. To 40, $170 million. [This must include gold spikes every 200 feet – or else the repair cost for the Terryville Tunnel as well. The line is only 24 miles long, so AECOM is estimating upgrade costs at about $6 million a mile? Editor]

**Terryville Tunnel.** The study said significant repairs were needed to the tunnel lining and drainage [see photo].

**Passenger**
To bring the line to Class 3 and add six stations (those shown in the map) would cost $530 million, and net only 500 to 800 passengers per day.

But bus service, which would attract 200-400 passengers per day, would cost ‘only’ $5-$10 million.

**Conclusion**
‘Passenger rail not viable in the near term.’ The track should be preserved for use in the long term.

A market study of freight potential provided an optimistic outlook for traffic. But a ‘workshop with rail experts’ was ‘less optimistic’. The workshop preferred instead an upgrade of the lines in and out of Connecticut to handle cars.
weighing 286,000 pounds.

Pan Am officials and potential customers saw an increasing demand for rail service. ConnDOT will continue to talk with Pan Am. But upgrading the line for freight will ‘be primarily private investment’, with ‘incremental upgrades as businesses expand or new businesses are added.’

More information coming

Anna Bergeron, the study project manager on ConnDOT, said on 28 June that now that the two public hearings were held, as well as an advisory committee meeting, all of the reports on which the presentations were based will appear on the website by the end of the summer. This will include supporting details such as the names of the rail experts.

MAINE

MAINE SALT*

17 June, Augusta. **ONLY ONE MAINE DISTRICT WILL BE BID – NORTHERN MAINE – AND THAT BECAUSE CARGILL PULLED OUT.** The salt company was forced to pull out when its Sussex, New Brunswick supply closed as a result of the co-located PotashCorp mine closing [see 16#01A], wrote Donny Crockett, contract grant specialist, State of Maine Division of Purchases. {e-mail to ANR&P}

See map and box for 2015 results, in which Harcros Chemicals won all regions except Region 1 where it did not bid [see 15#08B].

For years northern Maine has received salt via truck from Cargill’s Piccadilly mine, now closed. The creation of a salt depot in Searsport raised the possibility that CMQ-NB&M could supply northern Maine via rail.

Asked whether this could come to pass, CMQ veteran sales guy Bob Thomas responded that he had spoken with the office of Steve Clisham, president of New England Salt Company. Clisham is sticking to the plan of using Eastport to sell into the northern Maine and New Brunswick markets. Asked by Thomas if NESCO saw opportunities to use rail to serve other markets out of Searsport if CMQ obtained salt cars, Clisham’s office said, “No, not at this time.” {e-mail to ANR&P 21.June.16}

Note that NESCO did bid on three districts in 2015 [see box], each time well above Harcros.
PAN AM – SLR: NGL HOMELESS*

21 June, Portland. NGL IS USING ITS OWN RAILCARS TO DELIVER PROPANE TO THE TERMINALS OF OTHER COMPANIES, said Kevin Fitzgerald, regional operations manager: DCP in Auburn on SLR, and Sea-3 in Portsmouth on Pan Am. NGL has vacated its rail-side depot on Commercial Street and started decommissioning the site, and is looking for a new home.

Asked whether NGL was leasing storage tanks at either site, he said, “That’s a business decision I am not comfortable discussing.” {ANR&P discussion}

Not on the waterfront

On 31 August 2015, Americold Logistics won the competition to build a new cold-storage facility to serve Eimskip and other potential customers of the International Marine Terminal [see 15#08B].

To prepare for construction, MDOT purchased the land under the NGL terminal [see map]. As NGL had a long-term lease, MDOT agreed to cover the company’s cost of building a new depot elsewhere, said Nate Moulton, director of rail programs.

The department and NGL have negotiated a maximum amount the state will pay for the move. Moulton declined to state the amount.

Looking for a new home

NGL seeks to build a new propane depot to serve a growing customer base of 50,000 homes and businesses in the region. ‘Development of a new, state-of-the-art facility in southern Maine will help NGL safely and

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### 2015 MAINE SALT BIDS

Rates were renewed for 2016, except Northern district.

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(15#08B)
efficiently serve our customers and meet that demand,’ Fitzgerald said in a written statement. {Kelley Bouchard in Portland Press Herald 21 June 16}

Temporary terminals
NGL is using:

DCP, Auburn. DCP’s terminal has ten unloading spots [see aerial], but only two tanks.

Sea-3, Newington NH. Sea-3 for years received overseas propane, supplemented by rail from Canada. Now it receives from domestic sources by rail, and is expanding its terminal [see 15#11A]. Existing tank storage is much larger than the two Auburn terminals, because Sea-3 once received shiploads of propane.

Dead River, Auburn. NGL could also use the terminal which Dead River expanded in 2013 from four to five unloading spots. It has eight tanks. Editor
16 June, Lincoln, Maine. A TRAIN WITH NINE CARLOADS OF GROUND TIES RAN WEST on Pan Am’s Mattawamkeag subdivision. A trace on one of the cars, MEC 1218, showed it in Auburn, Maine on 17 June at 15h05, and then in Rumford, Maine on 21 June still loaded at 14h15 but bad-ordered.

The next day, 22 June at 13h40, the car was released from bad-ordered, and still loaded.

The ground ties apparently went to Rumford for burning at the Catalyst Paper mill [see photo]. {Maine Northern Railway Facebook page; trace by colleague}
PAN AM: WATER CARS MOVING FINE*
23 June, Poland, Maine. POLAND SPRINGS IS ‘PLEASED WITH THE EARLY SUCCESS’ of Poland Springs’ Rail Intermodal Program. Pan Am Railways and all of our key partners involved in this operation remain focused on service and performance. This intermodal service provides important new transportation capacity to supplement that of our Truckload partners,’ wrote Chris Haynes, director, Northeast Logistics,
Haynes did not respond to a query about the economic sense of the move.

**Continuing traffic**
On 22 June, Pan Am train SEPO was spotted in Westford, Massachusetts on the Freight Main headed to Portland. Three CSXT locomotives led ‘a huge train with about 40 intermodal (Poland Spring) containers at the head pin followed by the usual consist.’ {post on Guilford Rail Sightings}

Those numbers mesh with Poland Springs’ plan to move 20 containers from Waterville, and 15 from Portland each day, three days a week [see 16#04A].

**SLR: ANOTHER MAINE PAPER MILL CLOSING**
22 June, Kingsey Falls, Quebec. **CASCADES ANNOUNCED IT WILL CLOSE AND DISMANTLE ITS AUBURN PLANT.** The Auburn facility lost half its market for writing and printing paper since Cascades bought it in 1998. The company searched for a buyer for the facility, which deinks scrap paper and produces pulp, but others making a de-inked pulp already have excess capacity.

The plant will end production on 8 July and close 15 July. Cascades will dismantle the mill and sell the site.

**Other facilities in the Atlantic Northeast**
Cascades owns:
- a boxboard facility in Thompson, Connecticut not on rail, per the company website.
- a tissue facility in Mechanicville, New York on CP, but the spur is abandoned.
- a tissue facility in Waterford, New York on CP, but the spur is unused.
- a recovery facility in Albany, not on rail. {website and aerial views}

In 2011, Cascades sold its Versailles Connecticut boxboard plant to privately-backed Fusion Paperboard – see 11#10B. Fusion closed that plant, which was served by PW, in 2014.

The announcement marks the 10th mill closure since 2008, including facilities similar to Auburn’s that did not process raw wood fiber. Seven Maine mills remain in operation [see map]. {Darren Fishell in Bangor Daily News 23.June.16}

**Railcar loss**
On 23 June, Sue Scott at Cascades Auburn estimated rail traffic as down from the 500 or so a year in 2014 [see 14#05B]. Domtar in Windsor received about 10 cars a month; Richmond Logistics 15 to 20 a month. The company formerly sent a significant amount to Toronto, but that ended.

The plant received nothing by rail. {ANR&P discussion 23.June.16}
**MASSACHUSETTS**

**FALL RIVER: SALT SUPPLIER***

23 June. **SALTINE WARRIOR WILL LAND SALT BY BARGE HERE** to supply its contracts, wrote John Pearson, the principal. ‘Our plan is to land salt at Fall River by barge lightered from ships in Narragansett Bay later this year. We are in discussions with various suppliers.

The Fall River site is leased from McAllister Towing [see map].

**Customers**

‘SW continues to focus on municipal and commercial customers in southeastern Massachusetts. In early bid results, SW has been low bidder on three of four towns to date. We are not interested in bidding on state highway department contracts. The Massachusetts state contract does not terminate until the spring of 2019.’ {e-mail to ANR&P}

**NEW HAMPSHIRE**

**NEW HAMPSHIRE SALT**

**NEW HAMPSHIRE BIDS ARE DUE AT THE END OF JUNE**

**RHODE ISLAND**

**PW: PASSENGER RAIL FILING AT STB**

22 June, DC. **BOSTON SURFACE RAILWAY FILED AT THE STB TO OPERATE PROVIDENCE-WORCESTER PASSENGER SERVICE.** ‘Pending final agreement, the Providence and Worcester Railroad (“PWRR”) will host and operate BSRC trains on this 44-mile route.’

‘... BSRC is a privately-funded and closely-held company, established to address the growing demand

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[1](http://www.admin.state.nh.us/purchasing/Contracts_posteddate.asp?sort=ena)
for quality alternatives to driving for commuters between tightly-coupled metropolitan markets. BSRC has selected Worcester, Massachusetts, and Providence, Rhode Island, as the first city pair for its pilot passenger rail program, with plans to initiate scheduled service between the two cities in late 2017-early 2018.

Note. While this proposal lies outside the normal purview of this newsletter because Boston Surface proposes passenger and not freight, I am publishing the particulars for several reasons. First, it entails passenger service over an existing freight line. Such service can provide revenue for freight railroads; Amtrak already does. Second, Boston Surface seeks no subsidy, so it does not depend on the vagaries of state or federal funding. Third, Boston Surface is the first proposed service to get as far as an actual filing at the STB. Others such as Golden Eagle [see 15#01A] have not gotten that far.

The filing illustrates what other entities who wish to operate passenger service on freight railroads might have to do. Alas, BSRC requested that many details, including the business plan, filed with the STB be kept confidential. Editor

Still seeking investors?

Two bits indicate that BSRC is far from ready to begin service.

Still wants investors. Exhibit A, a redacted summary of the ‘Executive Overview, identifies the personnel and business plan of Boston Surface Railroad Company, Inc. ("BSRC"); the phases of the project, including the initial market targeted and performance enhancements to the route's infrastructure; and other potential opportunities that BSRC will pursue.

‘he Executive Summary describes the current status of the project, and includes market surveys, financial projections and detailed project plans for potential investors. ’[Emphasis added.]

STB contacted Boston Surface. Section III stated that ‘BSRC did not initially seek Board operating authority before being contacted by the Board, as it had not yet finalized agreements with its host railroad or other entities regarding acquisition of equipment.’[Emphasis added.]

Despite the unfinished state of the project (the agreement with Amtrak is also final), Boston Surface did make this filing.

The equipment and the route

‘BSRC is in the process of acquiring equipment, including locomotives and passenger cars suitable for an intercity (and interstate) railroad passenger service and which meet the operating requirements of Amtrak.

‘Negotiations are underway with PWRR to host BSRC's proposed service. PWRR is a publicly-traded Class III freight railroad that also operates seasonal passenger excursions including "the Polar Express."

‘Pending negotiation of a definitive operating agreement, the PWRR will host and operate BSRC equipment on a 44-mile route from Worcester, Massachusetts to Providence, Rhode Island, the majority of which is on the PWRR main line.

‘The route begins in Worcester (MP 43.38 from Providence), following along parts of the Blackstone River into Woonsocket (MP 16.1) for a single stop. The route continues to Providence via the "Boston Switch" (MP 4.9), where it enters a non-corridor track (known as Amtrak - Track 7) for the remaining 4.9 miles to
Providence Station (PVD - MP 0.0).

‘It is noted that Amtrak-Track#7\(^{2}\) is not a corridor track, nor will this proposed service interfere with Northeast Corridor traffic. BSRC will subcontract maintenance/repairs of its equipment with the PWRR and/or third-party equipment maintainers.’

**Proposed service: pilot program for other markets**

‘BSRC plans to operate 4 trains per day; starting with 2 morning trips from Worcester to Providence, and 2 return trips to Worcester from Providence in the evening. All trains will make one intermediate stop in Woonsocket, Rhode Island during each trip. BSRC will provide ticketing services via internet and on-site kiosk.

‘Passenger amenities will include assigned seating, quality Wi-Fi internet access, and onboard cafe/bar. Fares per trip will range from $10.00 to $16.00 with discounts for advance purchase of 20 or more trips. BSRC will offer transfer discounts for certain Amtrak and MBTA ticket holders. BSRC will (via global distribution system) also provide ticketing for passenger connections to Amtrak trains leaving out of Providence to facilitate passenger connections onto New Haven, New York, and other points on the Northeast Corridor. [What about a Worcester connection? Editor]

‘Worcester-Providence is the first city pair BSRC has selected for this pilot program, and the target market includes commuters, students, and occasional professional or leisure travelers. Based on the performance of this pilot program, BSRC will seek to both expand service on this route and connect other tightly coupled metropolitan markets in the New England region based on feasibility and market demand.’ {section III}

**Agreement between PW and BSRC**

‘The Agreement dated as of May 26, 2016 between BSRC and Providence and Worcester Railroad Company ("PWRC") is a preliminary agreement that contemplates the parties will exchange information leading to a definitive agreement as to the operation by BSRC of intercity passenger services over PWRC’s right-of-way between Worcester, Massachusetts and Providence, Rhode Island. It sets forth preliminary expectations and understandings of the parties, and is non-binding. It contemplates that BSRC will complete its due diligence on or before December 31, 2016, unless such deadline is extended by mutual agreement. The Agreement grants BSRC a license to enter upon property of PWRC for purposes of performing such due diligence. The Agreement contains provisions restricting the

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\(^{2}\) The track is part of the FRIP – the line created by the Freight Rail Improvement Program – which permits PW freight to run alongside Amtrak Corridor track, not within it, to reach Quonset Business Park. See 06\#01A. Editor
Agreement between Amtrak and BSRC

The Memorandum of Understanding dated as of January 23, 2015 ("MOU") between BSRC and National Railroad Passenger Corporation ("Amtrak") is a preliminary agreement providing for BSRC and Amtrak to work together to develop sufficiently detailed business plans to allow each party to determine whether to proceed with a business arrangement whereby BSRC would operate passenger rail service between Worcester, Massachusetts, and Providence, Rhode Island, that would require: (i) travel on and use of Amtrak-owned infrastructure, including trackage, signal systems, and stations; (ii) possible augmentation of existing Amtrak infrastructure, such as the installation of new switches; and (iii) the use of Amtrak services such as dispatching and police protection. The MOU includes a confirmation that Amtrak is under no statutory or contractual obligation to accommodate BSRC in order for BSRC to provide such service.

The MOU provides that it is not legally binding and that the parties contemplate entering into a definitive agreement if they are able to reach agreement on Amtrak's accommodation of the proposed service by BSRC, but that they are not obligated to enter into any such definitive agreement.

Simultaneously with the execution of the MOU, BSRC and Amtrak entered into a Non-Disclosure Agreement. 

The request for partial exemption

Drafted by Cornelius Chapman and Erica Mastrangelo at the Boston firm of Burns & Levinson, the filing requested a partial exemption from some statutory requirements.

PWRR owns 90% of the route trackage with access rights to the remainder. BSRC accordingly: (i) seeks blanket authority under Subtitle IV to give it the flexibility to provide passenger service on the proposed Worcester-Providence route subject to market demand, and (ii) requests that the Board exempt its operations from all common carrier obligations imposed under the Subtitle IV, effective upon service of the decision.

BSRC requests that the Board retain exclusive jurisdiction under 49 U.S.C. §10501(b)(2) with respect to its operations and pre-empt remedies provided under the laws of the States of Massachusetts and Rhode Island.
Island because it will operate across state lines, and will offer "through-ticketing" for passengers of the National Railroad Passenger Corporation ("Amtrak").

Why the exemption makes sense

‘BSRC seeks an exemption from the provisions of Subtitle IV (other than 49 U.S.C. §10501(b)(2) and those provisions specifically excluded from exemption by statute (see 49 U.S.C. §10502(e) and (g)), rather than just the provisions of 49 U.S.C. §10901, because it does not desire and is not equipped to be a rail freight common carrier. It lacks the personnel and equipment to provide common carrier rail freight service. A grant of an exemption from the aforementioned provisions of Subtitle IV will relieve BSRC from the rate and service provisions of Subtitle IV that are appropriate for a carrier that hauls freight but not appropriate for a passenger carrier. Moreover, a grant of a partial exemption as contemplated hereby would relieve BSRC from any regulatory constraints that might be associated with changing service frequencies or schedules, allowing BSRC to respond more flexibly to market demands. Such relief could permit BSRC to add or modify service once it commences operation and BSRC can better establish ridership demand.

‘The Board has authority to exempt a person such as BSRC and a service, such as that proposed by BSRC, from the application in whole or in part of a provision of Subtitle IV if it finds that:

"(1) it is not necessary to carry out the transportation policy of section 10101 of [Title 49 of the United States Code]; and (2) either-

(A) the transaction or service is of limited scope; or

(B) the application in whole or in part of the provision is not needed to protect shippers from the abuse of market power."

‘An exemption for BSRC's proposed service from the provisions of Subtitle IV described herein would be consistent with 49 U.S.C. §10101(2) because it would represent a reduction in unnecessary regulatory control over transportation.

Competing modes

‘Such an exemption would further be consistent with 49 U.S.C. §10101(5) because it would offer an option to existing modes of transportation between Worcester and Providence, namely, travel by air, bus or personal vehicle. At present there are no direct flights between the two cities, and round trip fares range from $546 to $1,021. Because such flights are not direct, they require travel time of from 7 hours to 9 hours. Bus travel between the two cities is inexpensive, but the estimated time for a one-way trip by bus is three hours and forty-five minutes. [Presumably also indirect. Editor] Intercity rail service between the two cities is currently available, but the service is not direct; a first leg from Worcester to Boston takes an hour and a half, and the second leg from Boston takes an additional hour and twenty minutes. ‘

Political and bureaucratic support

‘BSRC has received strong support from politicians at the local, State and Federal levels. BSRC is also receiving support from the Rhode Island Department of Transportation. The Massachusetts Department of Transportation and the MBTA have been advised by BSRC of its plans and neither have any objections.’

{Section V}

{STB website, filings page, Finance Docket No. 36043}

VERMONT

VERMONT SALT*

20 June, Montpelier. VERMONT SALT PRICES WERE SETTLED WITHIN THE EXISTING THREE-YEAR CONTRACT [see 15#08B]. American Rock Salt lowered its prices by 3% for all district it handles. Cargill remained unchanged [see map for numbers]. {Vermont Purchasing website http://www.bgs.vermont.gov/purchasing}
SAINT JOHN: ADDITIONAL MSC SERVICE

19 June: **THE CANADA GULF BRIDGE SERVICE WILL CALL TWO MEXICAN PORTS BEGINNING THIS DAY**, in a new rotation. The service will now feature a southbound direct service from Montreal and Saint John to Houston, Altamira, and Veracruz.

The northbound service will feature direct service from Houston to Altamira and Veracruz, Montreal, and Saint John, as well as direct service from Altamira and Veracruz to Philadelphia, Montreal, and Saint John.

Providing direct routes to and from Mexico allows MSC to take advantage of the significant changes taking place in the manufacturing sector in this part of the globe. It’s estimated that by 2017, as many as one in four American cars will have been built in Mexico. *{Logistics Management 21 June.16}* 

Paula Copeland, manager of communications for Port Saint John, wrote on 28 June: ‘We are not expected to receive autos at this time.” *{e-mail to ANR&P}* 

GYPSUM: ANOTHER MINE SUSPENDS WORK*

23 June. **THE LITTLE NARROWS GYPSUM WILL NOT OPERATE THIS YEAR, LEAVING ONLY ONE MINE IN THE PROVINCE.** The plant in Victoria County had already laid off 14 employees.
six months ago for the season shutdown. Byron MacMillan, the plant's manager, blamed poor markets for the production shutdown. The remaining 21 workers will focus on reclamation work “until the decision is made on the long-term future of the plant,” said MacMillan. He expects a decision to be made later in the year.

“These decisions are not made lightly and it's got to go through various levels of the company and the board of directors. We are a publicly traded company, so it's not a decision that can be made very lightly.”

Victoria County Councillor Paul MacNeil said: “The economy is not favourable to the gypsum market.” Much wallboard is made from synthetic gypsum, a byproduct from coal-burning, limestone scrubbing, power plants.

The Little Narrows mine is owned by Canadian Gypsum Company, a subsidiary of United States Gypsum Company. The plant in Victoria County has been mining and shipping raw product to markets in Canada and the United States since 1935. {Yvonne LeBlanc-Smith in CBC News 23.June.16}

NOVA SCOTIA ACTIVE and INACTIVE GYPSUM PIERS, QUARRIES, AND PLANTS

According to a 2014 report prepared for an international gypsum conference in Berlin by Patrick Whiteway of Nova Scotia Natural Resources, and annotated by Whiteway in a 28 June e-mail:

Active quarries and wallboard plants in 2014 (only one survives in 2016 – East Milford)
East Milford, National Gypsum. Functioning. Gypsum via rail to Halifax pier, or direct via mail to customers [see ]. CN-served. The only quarry operating in 2016.

Little Narrows, US Gypsum. Suspended 2016 [see above]. No rail. ‘CGC ships anhydrite from Little Narrows mainly to cement manufacturers in Que, Ont. and states on the Great Lakes.’

Cabot Gypsum/Acadian Drywall, Point Tupper. Wallboard plant sourcing via East Milford, and supplying United States and Canada via rail [see 15#04A]. CBNS-served. ‘Presently in talks to merge with another company.’

www.globalgypsum.com/conferences/global-gypsum/review
Atlantic Wallboard (Irving), Saint John. Wallboard plant sourcing via synthetic gypsum from Belledune as well as natural gypsum. CN-served.

CertainTeed, McAdam. Wallboard plant sourcing via East Milford. NB&M-served.

<table>
<thead>
<tr>
<th>Gypsum Production in Nova Scotia</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td>CGC (Little Narrows)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gypsum</td>
<td>406,000</td>
<td>307,201 tonnes</td>
<td>348,344</td>
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<tr>
<td>Anhydrite</td>
<td>56,000</td>
<td>121,310</td>
<td>103,640</td>
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<td>National Gypsum (Milford)</td>
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<td></td>
</tr>
<tr>
<td>Gypsum</td>
<td>1,600,000</td>
<td>1,427,000</td>
<td>1,427,000</td>
</tr>
</tbody>
</table>

Quarries on care and maintenance
Windsor, US Gypsum. WHRC was serving.
Melford, Georgia Pacific. No rail.
Brierly Brook, Nova Construction. No rail.

Nova Scotia. Gypsum quarries, loading piers, and wallboard plants. (ANR&P from Whiteway paper)
Murchyville, Knauff. All approvals to begin production.
Glencoe limestone project, Atlantic Industrial Minerals

Future – other than wallboard?
‘Increasing gypsum production in Nova Scotia will depend on increases in new housing starts in the United States and on the projected reduction in synthetic gypsum that could result from the closure of coal-fired electric generating plants in the United States.

‘The Nova Scotia government is seeking to attract companies that are interested in investing in small to medium-sized businesses that use gypsum in products other than wallboard. Businesses that make value-added products for use in architecture, agriculture, ground support, and absorbency markets could potentially operate profitably in the province. Companies interested in investigating the possibilities are invited to contact Nova Scotia Business Inc. (NSBI).’ {Whiteway paper page 7; e-mails 27.June.16}

RAIL FREIGHT FACILITIES

Described in this issue.
Cascades Auburn (Pan Am, Maine) Closing.
Champion (Pan Am, Massachusetts) Possible rail.
New England Salt (CMQ, Maine) No rail yet.
NGL (Pan Am, Maine) Using temporary terminals.

GUEST EDITORIAL

NEW ENGLAND IS ‘CORE’

Tony Giobbie, Northeast Regional Manager for Short Line Development at CSXT before he retired at the end of 2013, provided a positive view of New England’s present and future role in the ‘Network of Tomorrow’:

I retired from railroad service at the end of 2013, after almost 40 years with Conrail and CSX. Just like it did before 2013, New England plays an important role today in the ongoing success of CSX. And I believe that role will continue into the future.

Although it may not be as prominently displayed on the high level macro slides, the CSX lines East of Selkirk provide the essential elements of a feeder network that Cindy Sanborn explained.

The CSX Core Network Triangle is not unlike the "Big X" that old Conrail had emphasized back in the Nineties. Both companies worked to move large volumes of traffic as efficiently as possible on the Core.

The lines not specifically shown on the Core are not forgotten step-children, just withering away until they are sold or abandoned. The business they generate is precisely the traffic that aggregates on the Core and drives it to function so efficiently. I dare say, if it weren't for the feeders, there would be no Core.

Since your focus and expertise is New England, I suggest you think of it this way. The CSX main line between Selkirk and Framingham is a Core. The branch lines and the dozen or so short lines that connect to it are feeders.

The speed and schedule of the feeder network can vary, based on local needs and operating requirements. The focus of the Core is to move large volumes of (inter-city) traffic very efficiently. When they work together, they both prosper.
I see New England and CSX continuing to work together and grow together. I had never seen any wholesale effort to change sell off or otherwise abandon New England when I was working for CSX and I don't foresee any such effort now.

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

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

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

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

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.

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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